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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
(Foxy 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. Fliieger
Yellowknife, N.W.T.
X0E 1H0

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YELLOWKNIFE, NORTHWEST TERRITORIES

TUESDAY, MAY 17, 1977

MEMBERS PRESENT

Mr. Steen, Mr. Stewart, Mr. Lafferty, 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): Item 2, replies to Commissioner's Address. Mr. Pearson.

ITEM NO. 2: REPLIES TO COMMISSIONER'S ADDRESS

Mr. Pearson's Reply

MR. PEARSON: Mr. Speaker, I would like to take this opportunity to make a few remarks, and some commercials. I would like to start by informing my colleagues that Frobisher Bay in 1978 will be celebrating its 400th anniversary, a unique program is planned by myself and I have not told anybody else about it yet, but you are all invited, providing you bring some money and gifts for the municipality. At the moment we are looking for a chain for the mayor, another one that is, -- no, seriously now -- 1978 will mark a very unique moment in Canadian history and we hope to celebrate it in a big way and, depending upon the generosity of the Commissioner, that will determine the length and the size of the celebrations. So, I would like to do that or tell you about that.

To continue, I would like to make some remarks in response to the Berger Inquiry which seems to have caused such a furor in the last few days, particularly in this chamber, where I have heard some rather strong comments and rather unpleasant comments made about the report and about the man who made them. As I mentioned a few days ago, to me, the Berger Inquiry, or rather the Berger report is one of the most significant and important documents that I think has ever been produced in the Northwest Territories.

HON. DAVE NICKERSON: Shame!

MR. PEARSON: It has taken a long time to compile but within its pages I find nothing new, but what I do find, carefully laid out, in very fine form is the wishes, aspirations and desires of many of the people who live in the Northwest Territories. It is true that the area that the inquiry covers is the West, but much of what is contained in the report deals with the problems and as I say the wishes and aspirations of the native people across the Northwest Territories.

An Inventory Of Our Northland

It is a report which I believe should serve as a blueprint, a report which I believe should serve as an inventory of our northland. Here in the pages, the few pages of this well produced book are some very, very important statements and comments, comments which have been made in this House, not only by myself but by many, many other Members over the years, views that they hold and still hold. They deal with the cultural aspect of life and with education, it deals with the social impact of the present, not what would happen if a pipeline were built, and it deals with local government and all of the things that are important, all of

the things we have talked about and made motions about since I have been on this Legislative Assembly, for seven or eight years, are here. It lays out very carefully the dangers and pitfalls of doing things without thinking about it first. It expresses in very fine English, in succinct comments, the danger areas that we could fall into if we are not careful. It does not condemn a pipeline, it does not say there should not be a pipeline, it simply says "Be careful, go into this carefully as you are not prepared." It says we are not prepared, the people are not ready. I hear the Minister of Social Development and other Members of the House talking about terrible things that will happen if the pipeline is not built, as though all hell would break loose. The welfare rates will become staggering. Well, the welfare rates in the last fiscal year are running at around \$3.6 million and the year previous they were \$4.5 million. So, obviously there is something going on somewhere. People are being more productive. Those are facts and figures from the department.

How will we prepare for the onslaught? What have we done for it? If the pipeline were to start tomorrow are we prepared? Have we educated anybody to take on any meaningful jobs? We have lots of dishwashers, cooks, floor sweepers, window cleaners, maybe, but have we trained anybody in vocational training centres for trades to have meaningful work on the pipeline? Are there hundreds of people in the Northwest Territories dying to get their hands on the pipeline? No. There are thousands of people in southern Canada with itchy feet just dying to get north for these jobs where the current rates of unemployment are a national disgrace. They are just itching to come north.

The State Of Alaska

Alaska which has gone through the same problem very recently now faces horrendous problems in its cities, in the main centres, as they are filled with thousands of unemployed Americans. There are line-ups outside the social welfare offices looking for jobs and handouts, asking for tremendous amounts of welfare, and it is going into that country. Those were reports that were tabled in the press, and the reports I received from Fairbanks show that the impact after the pipeline is finished is horrendous and causing the state of Alaska untold agony. Are we prepared to handle that?

Are we prepared when the pipeline is through and finished to handle the hundreds of thousands of people who will be in these communities looking for jobs? They will be there, mark my words, they are moving in, they are moving into communities looking for work, it is becoming a hazard in the North every summer when thousands of people are beginning to move north to look for work, to the promised land, but what happens when the pipeline is finished? Are we prepared for that? Do we have the facilities? No. Are we prepared for the onslaught? No. Have we prepared the native people for something more worth while than sweeping the floors and washing dishes? No. Has our education system worked? No. The vocational training centre, where is it, where is it? It is in Fort Smith, that is where it is, and that is the only place there is one. There are 1000 kids in school in Frobisher Bay but there are no jobs. There are 400 or 500 kids in school in Pangnirtung and there are no jobs. There are jobs in the territories, there are jobs, but they are not qualified to take them. You just must come to the city of Yellowknife, to the sixth floor of the Laing building or any floor you like, and where are they? Where are they working in the West? They are working in the Department of Social Development, and here comes the good part, the Department of Social Development in the Eastern Arctic has done a fantastic job...

HON. DAVE NICKERSON: Thank you.

MR. PEARSON: You are welcome! ...in introducing native people into responsible positions. Some 70 per cent of the total staff, and it may be more, but the total staff of Social Development in the Eastern Arctic is run competently by native people having been given the opportunity. However, where does one see that over here? Mr. Richard Whitford continuously complains about the lack of opportunities for native workers. Now, is it going to change when the pipeline goes through? Is it suddenly going to change overnight? Is there suddenly going to be work and new industry created? Where, how and with what? A few pump stations or whatever they are called along the pipeline? That is what it will amount to.

People Who Live Off The Land

The Berger report has carefully and concisely documented some of the pitfalls, some of the problems that are sitting there waiting for us. We have breathing time, we have time to get prepared, we have the time to get ourselves organized and time for the native people to get involved thoroughly in the operation of this country. We hear from Members or heard the other day that it is a joke when you suggest that people go back and live off the land. Well, there are people I represent, and there are people represented here today who have never left the land, they have never left it and made a good living from it and make a good living from it. It is their land. They have lived there for thousands of years and will continue to do so if they are given the opportunity. Pangnirtung has no economy other than a very small growing tourist industry and municipal services, but there were some 15,000 seals taken there a couple of years ago in one year. That is a land based economy. Clyde River, Broughton Island, Lake Harbour, Cape Dorset with its very fine art producing centre, but there are still a lot of people in that community who earn their living from the land as they do in Paulatuk, Coppermine and in many other areas of the Northwest Territories all down the Mackenzie.

Land use is still very much a part of the lives of the people. There is no question about it, and I believe I have said so in this House that by using modern techniques and some of the modern approaches that we have that people could earn a good living from the land. What else are they going to do? What is the pipeline going to do for them? Where is that going to change things?

The Berger report on page two says: "The choice we will make will decide whether the North is to be primarily a frontier for industry or a homeland for its peoples. We shall have the choice only once." Only once. Then it goes on to say: "It may be that, in the national interest, the gas pipeline and the energy corridor should be built. It may be that they should not. But we owe to the peoples of the North, and to future generations, a careful consideration of the consequences before we go ahead with such projects." Then it goes on to say: "This report is an attempt to set out what those consequences will be."

The Eskimo Language

We have heard comments here about the native cultures, how they are just a thing of the past and sweep them aside and get the pipeline through and get on with it fellows, but we are going to do this in English. Let us get going. The future is in English only. There are some fascinating pieces of information in the Berger report on the question of native languages and particularly the Eskimo language. The Eskimo language as it is spoken today in the Northwest Territories is exactly the same form as it is in Greenland, as it is in Alaska, as it is in Siberia and has been for thousands of years and it covers a spread of over 5000 miles. Not only is it a widely spoken language and it is the first language in Greenland, it is a very beautiful language, it is a very important language.

Now, that is culture, that is what it is, that is what it means, culture. Culture is in the language. This government has made a fantastic effort to preserve the language of the Inuit by providing the Interpreter Corps and I think that Mr. Hodgson is to be commended for his efforts in promoting it and developing it because of its major importance. There is a faint hope that there is some recognition of Inuktitut as an important language.

The Indian languages in this country, one hears them all over this town. If you sit in the restaurant you hear a young native person speaking the language. It is vital to them and it is vital to us, but sweep in with a pipeline and push these things aside and look out!

The North is their homeland. Two-thirds of the population of the Northwest Territories are natives and their views have to stand for something. Their views as they were expressed to Berger in my opinion are honest and they are the views of the native people, not as our friend would suggest, a few communists or radicals or pinkies or whatever you want to call them. They are the views of the native people and in the 21 years I have lived in the Northwest Territories I know them and know of what they speak.

Preserving The Land

Mr. Berger goes on to suggest that we preserve some of the land. Terrible, shocking, what a terrible thing to do! There is gas under there, let us push on with it. Those are the kind of comments you hear. Auyuitug, a park set in beautiful Pangnirtung and I am proud to have something to do with the conception of that park in 1962 and it is now a reality. Last year 2500 visitors visited the community of Pangnirtung. That is a lot for the little tiny community of 600 or 700 people, to see the beautiful and magnificent country that we are caretakers of. The Americans have recognized the need for reserving lands to protect the land. Wilderness is not a renewable resource. If we are to preserve wilderness areas in the North we must do so now. The available areas will diminish with each new industry, that is what Berger says. Great stuff!

The Americans in a recent copy of Time magazine, -- and it is available locally on the bookshelves, deal in great depth with "The Battle of Alaska Environment". To Mr. Morris Udall who believes the legislation before congress at the moment offers the United States the unique opportunity to preserve these and other valuable lands as a part of the national heritage and he goes on to say: "Never before in our history have we been able to set aside areas of this magnitude". Nor of course has it been necessary to do so.

The previous minister of Indian and Northern Affairs, Hon. Jean Chrétien, made a very large effort, a concerted effort whilst he was minister, to develop national parks in this country. Mr. Berger suggests one. A fantastic idea! They do not make any more land. They do not make it any more. We need it and need to preserve what we have got and if this is a vitally important area let us get with it. National parks are not new. Wilderness areas are not new. Yellowstone park was developed in the early part of this century by the American government. Canada is well ahead, I think, internationally in the development of parks to protect the environment.

Education

Education. The community of Fort Resolution views the Berger report as so important that they have decided to make a textbook out of it for the students in their school, to break it down into its components, its chapters in a booklet form and translate them and use this as part of the teaching aids in their school because of the historical significance of it, geographical lessons that can be learned there, the cultural lessons that can be learned from it.

The cultural impact. We have seen and one can see much of the impact in this community by dropping into the bar, drop into the liquor store, that is where you really see the impact and that is without a pipeline. Add to that a few thousand southern Canadians, hard working people and I guess the biggest and most significant benefit, financial benefit and perhaps the only one would be the amount of revenue we earn from the sale of booze. But, you know, we have a responsibility, this Legislature has a unique responsibility, we have as our responsibility an area two-thirds of the total of this country, that is our responsibility.

SOME HON. MEMBER: It is 40 per cent.

MR. PEARSON: Sorry. We have 40 per cent as our responsibility, this Legislature. It is a fantastic responsibility if we just think of it. Mr. Berger says "Euro-Canadian society has refused to take the native cultures seriously. European institutions and values and use of land were seen as the basis of culture. Native institutions and values and languages were rejected." He is right.

The native people of the Northwest Territories are now beginning to speak out. They are now beginning to say "Hey, we are not satisfied. We have some rights here. We have been around a long time and we want to have a say in this." Can we deny them that right to speak? They have not been here to speak to us. They spoke to Mr. Berger. I made a motion last year I think that we have a summit meeting with the native leaders. I did not follow it through. The Hon. Peter Ernerk reiterated that motion the other day and hopefully we will take the initiative and we will invite the native people to get together with us, to sit down and talk and see where our interests are, to see if there is any compatibility.

Negative Results Of The Education System

By listening in this chamber the last few days one would think that there was no hope ever of getting together, of there being anything similar with the people we represent. However, the young native people are beginning to ask questions. Some of the education is starting to rub off. They are starting to articulate. Some of the native people are engaged in interesting work, but there are so few of them, so few of them, and that particular area happens to be the Eastern Arctic where people working for the government have made it their business. However, as Mr. Berger says by the 1970's the natives had seen the negative results of the education system. Any approach from their own culture was rejected by the new. Now, that is our responsibility, that is not Mr. Berger's or Prime Minister Trudeau's, it is ours, \$45 million into education this year, \$45 million and for what? I do not want to go into education because you have heard that speech before, but think of it for a moment. What have we done with the dough? What are the results? How many native people are working in the Laing building in responsible jobs?

HON. PETER ERNERK: Right here, sir.

MR. PEARSON: Let us hear it for Hon. Peter Ernerk, let us give him a big hand.

--Applause

Everybody wants to get in on the act.

MR. STEWART: That is what it is all right.

Developing An Economy

MR. PEARSON: Going back to the economy, a pipeline is going to solve all our problems, is it? The pipeline will solve all our problems and be the answer to all our dreams. That is the kind of impression that one gets here. It will become a welfare state if there is no pipeline. What are we doing, this House, what are we doing about developing an economy? What are we doing about it, and where are we doing it? What direction have we given the government? It is our responsibility. We have education, we have economic development. It is our responsibility to develop an economy for the benefit of the people who live in the Northwest Territories. We will allocate \$8 million or \$9 million for that task but when we educate our people at \$45 million what do we do with them when they come out of school?

Where are the jobs? What have we created for them, civil service jobs? Have we created opportunities after school? We have to take the time, and it is pointed out to us very clearly in this document "get organized". I am not knocking a pipeline, I am not saying there should not be a pipeline, I think it is great, but who owns the gas? What benefits will there be in it for us when the gas goes down that pipeline? A pipeline, the longest, largest farce ever created.

MR. BUTTERS: Shame!

People In The North Should Benefit

MR. PEARSON: What is in it for us? Do we own the resources? Do we own the gas? Do we get any money out of it? We could get organized in the next ten years so we will get some benefit from it. All we will get, fellows, are the problems, that is all. Then you will see the welfare handouts because when the pipeline is in there is nothing else. There are no factories at the end of it in the Northwest Territories. We will not get to use the stuff. We have no economy, just a transmission line of gas, that is all which most of the native people think of as gasoline and someone should explain to them that it is not. Many of the native people I have spoken to are under the impression that it is in fact gasoline but that is one of the pipeline company's problems. The studies, the economic studies or environmental studies that have been carried out by the gas companies in their experiments in the Delta over the past many years form a marvellous document, an environmental study the like of which has never been scientifically compiled anywhere in the world. It is a fabulous document but these things will not change. If you do not build a pipeline tomorrow nothing will happen, the gas will still be there, it will always be there until we sell it, if we own it, at the right price at the right time so that there will be benefit in this pipeline for people in the North, not people in the South.

Mr. Speaker, who knows where this will all lead, who knows? Mr. Pierre Elliott Trudeau will decide because it will be his decision, not ours. Let us hope that the people in the North will gain benefits from the development of their country and that they will have a part to play in it.

MR. BUTTERS: Hear, hear!

MR. PEARSON: And that it will be done properly and planned ahead of time instead of the country being run roughshod by large corporations in southern Canada exploiting us and our resources. Thank you.

---Applause

MR. SPEAKER: Are there any further replies to the Commissioner's Address? It is hardly a reply to the Commissioner's Address but that is what the item is called. Are there any further replies today? Mr. Butters, I think you are the mover of the motion of appreciation, are you not?

MR. BUTTERS: Mr. Speaker, the Honourable Member from South Baffin or Frobisher Bay was in admirable form today I must say.

MR. PEARSON: Thank you.

MR. BUTTERS: Unfortunately, or probably fortunately replies are not a debate and therefore the many inaccuracies and fallacies in Mr. Pearson's remarks may not be touched on by myself.

MR. PEARSON: Thank God!

Mr. Butter's Reply

MR. BUTTERS: As the Member says it would take too long or too much of your time if I went over all of the areas where he overemphasizes or has committed the sin of hyperbole, which is the sin of most politicians I think.

Motion Of Appreciation Of Commissioner's Address.

Yes, I think I am the mover of the motion of appreciation and, in keeping with that requirement so move now. As my colleague from Mackenzie Liard does I will be speaking off the top of my head and this is always very difficult because when one speaks off the top of one's head there are usually brainstorming which occur and due to the brainstorming there comes much sound and fury with little communication and sometimes very little understanding. However, as the Honourable Member also says I will speak from the heart and possibly overcome the problem of speaking from the top of my head. Now, as I mentioned earlier on, the major recommendations of the Berger report made by Mr. Justice Berger did not surprise me. You will remember in January I said, "Last before I close I am very concerned about the change that has taken place in the attitude towards development. It would appear as the Hon. Warren Allmand has said the pipeline is gone, or has intimated that the pipeline is finished and this is not only his opinion it seems to be quite widespread throughout the South that the Mackenzie Valley pipeline is dead."

Now, I do not wish to flog a dead horse but I would for a moment go back three years to a speech that Hon. Jean Chrétien made in this room, I believe. It was in this room, it was at the Commissioner's Ball on January 19th, 1974, and he said to the assembled Members, guests and people from all over the territories, he said: "This government after weighing all the factors involved very carefully has come to the conclusion that a gas pipeline down the Mackenzie Valley is in the national interest. In reaching this conclusion the government has been influenced by the possibility that a failure to act in a positive manner toward this project could lead to acceptance by the United States government of the El Paso alternative for Prudhoe Bay gas; that is liquifaction, fraction and transfer from Valdez. This in turn would mean that Canadians would not have access to Mackenzie Delta gas when they need it. The key to meeting Canada's gas needs in the next decade involves a joint gas pipeline along the Mackenzie."

Beginnings Of The Berger Inquiry

That was probably and it may be recognized some day as the most important address that the then minister of Indian and Northern Affairs ever made to this House. It contained many, many other things besides that statement and one of them was the single line, or two lines which said: "I am currently taking steps to set up a formal commission of inquiry to examine the regional, social, environmental and economic aspects of such an application," and of course at that time he was referring to the commission which eventually became the Mackenzie Valley Pipeline Inquiry. In that address the minister also said, with reference to land claims, and this was 1974, "I am ready to negotiate immediately. The native people have asked for this, for time to prepare their land claims. Some suggest development should be halted until these claims are settled. I can not accept this restriction, instead I think the claims should be submitted as quickly as possible so that we can come to grips with the problem of settlement." That was in 1974, and recently we hear that members of the native organizations responsible for negotiating their claims are looking at ten or 20 years before those claims can be satisfactorily resolved.

I represent a community which while very distressed at the major recommendations that are contained in the Report of the Mackenzie Valley Pipeline Inquiry will not be left as it were out in the cold. My understanding is that Members of the special committee of the Hon. Arnold McCallum this morning met with the Hon. Alistair Gillespie in Inuvik and Hon. Alistair Gillespie certainly did not go to Inuvik to meet with Hon. Arnold McCallum and Members of his committee, Hon. Alistair Gillespie had just completed an aerial survey of the Alcan route and the Dempster spur connection line along the highway. So, the people of Inuvik have been aware of this possibility, that is, a Dempster line for a long time, for months. When it became apparent that the Foothills people were playing footsie with us and holding out some promise of a Maple Leaf line, but really not meaning it, we then -- this is myself and the members of the municipality -- moved to support the Canadian Arctic Gas proposal. Now, as I say, if Canada needs that, gas development will occur, the line will be built through the Yukon, if that is the way Canada is desirous of getting the gas then the Mackenzie Delta communities will benefit. There will be employment in the Mackenzie Delta. There will be gas, cheap gas for residents of the Mackenzie Delta communities by pipe and we just have to turn on the spigot, but the reason that the town of Inuvik, and myself as a Member, supported Canadian Arctic Gas was because of the benefits it would give the whole territory.

HON. ARNOLD McCALLUM: Hear, hear!

---Applause

Other Concerns Of Pipeline Construction

MR. BUTTERS: We hear this nonsense argued by both sides that jobs, "There will be jobs -- there will be no jobs," and we just heard our honourable friend across the House discuss this matter of jobs. There are other concerns as well besides jobs on the construction of a line. There is the concern of the benefits to be derived from taxing of the capital expenditures of that line, the capital infrastructure, the gas plants, the four foot line running through this valley. As we have asked too, that where that line goes near communities, and many of them are native communities in the valley, that cheap gas be put into people's homes, because we know right now that it is almost impossible to purchase your

own home because of the cost of maintaining it, the cost of powering it and the cost of lights. Cheap gas would do an awful lot to make things much easier for the people in the valley and there will be benefits too for the Eastern and Central Arctic, but these benefits would not necessarily be gas and employment but there would be revenues accruing from the various benefits from taxation and other resource benefits which we will receive, royalty sharing benefits we will receive when that resource is developed.

A Political Decision

So, there are more benefits than jobs. However, I would point out that the consideration of January that the pipeline is in very bad shape remains. I think it is. I think that the Government of Canada if it were to decide tomorrow or the next month or in the near future would make a political decision and decide in favour of the Alcan project. All you have got to do is look at the newspapers. The Globe and Mail of Tuesday, May 10, "No pipeline ever across the northern Yukon. The postponement of any pipeline down the Mackenzie Valley for ten years." The Edmonton Journal "There is no ambiguity in Mr. Thomas Berger's historic report on a northern gas pipeline. There should be no pipeline across the northern Yukon... And the Mackenzie Valley pipeline should be postponed for ten years. If parliament follows his advice the Mackenzie Valley pipeline is dead." Mr. Charles Lynch who seems to have an interesting source on the pipeline said, and this is May 11, "There are strong indications that the board will find in favour of the Alaska highway route against the Mackenzie Valley pipeline, a decision that would satisfy the United States and would be pleasing in the eyes of Judge Berger and his supporters. For better or worse the Mackenzie Valley development will be left till later, if ever..." if ever, Mr. Pearson, "...depending upon political developments and the extent of gas reserves in the Delta and the Beaufort Sea or the emergence of other energy sources in the South."

And not to exclude our own northern press, the News of the North and I guess it was the week of the Berger report, May 11 also, "The word 'devastating' has been used a lot during the last couple of days. A pipeline built now would have a devastating effect on the native people Judge Berger said. A line built across the northern Yukon would have a devastating effect on the Porcupine caribou herd." This is the Vancouver Sun for that day, Justice Thomas Berger got big play in his home town paper, "Berger says 'No' to an Arctic pipeline. The Berger report -- a cry right from the heart" and the editorial "There seems little doubt that the Canadian Arctic gas pipeline that would have brought Alaskan and Yukon gas south to the big markets is now dead as a result of the Berger report. The so-called all Canadian route down the Mackenzie Valley is not in much better shape. Thus the Americans will probably ship their own gas down the Alaska highway."

The Berger Report A Cry Right From The Heart

I think that that headline "The Berger Report a Cry Right From the Heart" says it. No matter what we may say about the report it is a very moving document. It is a very emotional document. It is a very readable document and it will be a very saleable document. I doubt that there will be a piece of government bureaucratise which will be as popular as this document. It reads beautifully. It is moving, moving. The remarks that he takes from the community hearings are moving remarks. The fear is real. The interesting thing or an interesting thing about the document also, and this is what gives it so much power,

is its emotional impact and emotional appeal. I am looking now at the terms of reference of Commissioner Berger -- "And whereas it is desirable that any such right of way that may be granted be subject to such terms and conditions as are appropriate having regard to the regional, social environmental and economic impact of the construction, operation and abandonment of the proposed pipeline."

It is implied therein that the decision for any right of way will be made by the Government of Canada and in fact Hon. Jean Chrétien as I read to you earlier said that the government had already decided it was in the national interest and that he would be establishing an inquiry to look into the regional, social, environmental and economic impacts of the construction, operation or abandonment of the proposed pipeline. But the two main recommendations that came out as I read in the newspapers were, the deferment of ten years for the Mackenzie Valley pipeline and that there be no line built across the Arctic slope, in effect, killing the Canadian Arctic Gas proposal. In effect killing the proposal that would carry Canadian gas piggyback to southern Canada. The gas that has to be moved, 30 trillion cubic feet of gas, is not Canadian gas. It belongs to the Americans. It sits under ten by 20 square miles of caribou pasture on the north slope at Prudhoe Bay. We may have six trillion cubic feet in the Mackenzie Delta found to date. Four or five years ago the threshold column required and suggested by Imperial Oil to make it economical to move the Beaufort Sea or the Mackenzie Delta gas was 15 trillion cubic feet. So what Mr. Pearson suggests is probably very correct. It will sit in the ground for years and years unless the economics warrant it. Certainly the economics will not warrant it if an American line, or an American financed line, does not move within a few hundred yards of the current gas reserves in the Canadian Western Arctic.

Rejection Of The Line Across The North Slope

So, as I say, this is an excellent written report, a most attractive report, a most appealing report but I do not wish to discuss it in detail. I wish to do though, as Mr. Pearson did, focus in on one or two items. The thing that I wish to focus in on most as I have read Commissioner Berger's terms of reference is his rejection of the line across the north slope. I would like to read to you exactly what the judge says about that, "Gas pipeline and corridor development along the coastal route passing through the restricted calving range of the Porcupine caribou herd would have highly adverse effects on the animals during the critical calving and post-calving phases of their life cycles ... If a pipeline is built along the coastal plain there will be serious losses to the herd."

That statement is a very strong statement. "There will be serious losses to the herd." I believe, as I say, although Mr. Justice Thomas Berger when travelling in the territories was designated and described by the word "judge", this was a courtesy because in his commission he really was a Commissioner and as a Commissioner he makes the report from which there is no possibility of appeal. He has made the statement here "If a pipeline is built along the coastal plain there will be serious losses to the herd."

I have gone back to the testimony to see if I can find in the testimony of the experts on the Porcupine herd, statements which will support that judgment of Commissioner Berger. I can not find support in the testimony of witnesses. This statement is a statement, a belief of the Commissioner alone. He says within the body of the report that the evidence which he heard, "In my judgment the evidence though circumstantial is compelling." The evidence is "circumstantial". In a court of law on the weight of circumstantial evidence you can appeal such a decision to a higher court, but there is no appeal in this case. The judgment has been made. The judgment has been made by Canada because of the emotional impact of this beautiful book. I read to you what the arbiters of our thinking, the newspapers or the editorial writers have said.

The Testimony Of Dr. George Calef

As I say, I was most concerned in looking at the evidence and one of the things I found was that one of the major witnesses, the key witnesses upon which Judge Berger based his circumstantial evidence is an expert employed by the Government of the Northwest Territories, Dr. George Calef. If you can single out one biologist, one biologist whose evidence would encourage Commissioner Berger to the decision that he made on circumstantial evidence it would be the testimony of Dr. George Calef. There are no grounds for saying or suggesting that Dr. Calef gave in his testimony the Commissioner any grounds for making that statement. There are no grounds for making that statement in any testimony given to the Commissioner.

I think this is a very important matter and I would hope that by bringing this up that other people will go back to the testimony. I would hope that in bringing this up the Science Council of Canada would go back to the testimony. The Government of Canada paid five million dollars for a decision and I maintain that that five million dollars was carelessly spent because of this one decision, this one hole in the whole argument.

Dr. Calef was not what you would call -- what is the word, Mr. Speaker, that is used for a witness who is in opposition to one's case? Dr. Calef was not in support of the Canadian Arctic Gas case. He was a member of a panel composed of the Canadian Arctic Resources Committee and we all know that the Canadian Arctic Resources Committee is certainly not a proponent or

an exponent or a supporter of the Canadian Arctic Gas position. Dr. Calef says here "I believe first of all that we can not predict with certainty the effects of this project..." and he is talking about the Canadian Arctic Gas project, "...on the caribou, but there is reason to believe that there is potential danger, reduction in populations or changes in ranges." That, as far as I can find, is the most damaging testimony that Dr. Calef produced.

Effects On The Activities Of The Caribou

Further along Dr. Calef again is answering and says: "Mr. Commissioner, I hope that these examples I have given you show that the conclusion that one might draw about the effect of these various projects and human activities on the caribou population virtually depends upon whether one is an optimist or a pessimist. I suspect that you will agree that if it came down to a legal case in which one had to prove that the decline of one of these caribou herds could be attributed to human activities, the conclusion would be that there was not enough evidence to establish the cause and effect relationship." That is what Dr. Calef told Commissioner Berger and yet Commissioner Berger said that there was substantial or "circumstantial" evidence.

I would like to read this, too, because I think it indicates the reason why this recommendation was made and made so strongly and I ask your patience because I do read into the record quite a bit. Again Dr. Calef is speaking: "We note that the coastal route would cross the Arctic wildlife range in Alaska and the proposed Canadian Arctic wildlife range both of which the interior route avoids." Now that is the Canadian Arctic wildlife range proposed by the Canadian Wildlife Service, the dream of the Canadian Wildlife Service to block out, lock out, freeze out that north slope, the Canadian north slope of the Yukon. I continue: "Now that statement I wrote there is not entirely true. The interior route as it exists right now would be on the very southern edge of the proposed Canadian Arctic wildlife range, which is the Porcupine River. However, if the interior route were to go south to that river it could entirely avoid both ranges."

"The Arctic wildlife range in Alaska as it presently exists would appear to qualify for protection under the American Wilderness Act. Inclusion of the area as wilderness under the act would give strong protection to the calving grounds and the summer caribou habitat in that area. This is because an area which has been declared a wilderness in the United States is exempt from any human technological and industrial activity. If the pipeline were to go through that wildlife range prior to its official designation as wilderness, it would no longer be considered wilderness. It would not qualify under the Wilderness Act and it would then be open to a variety of threats including oil pipelines, permanent roads, test drilling and perhaps eventually to the production of petroleum. Thus, even if we assume that a natural gas pipeline would have very little effect on the summer range or the calving grounds of caribou we could not assume..."

MR. SPEAKER: Could you speak a little slower, the interpreters are indicating extreme difficulty.

MR. BUTTERS: I beg your pardon. "Thus, even if we assume that a natural gas pipeline would have very little effect on the summer range or the calving grounds of caribou we could not assume that all these other activities would also be harmful and yet..." Then Commissioner Berger says "Would also be harmless? I only interrupt because I do not think you are correcting in this as you go along. We--that is supposed to be harmless, is it not?" "Dr. Calef: Yes, it is, sorry. And yet this single violation of the gas pipeline would take the area out of wilderness status. I feel that this is a point of utmost importance to the future of the Porcupine caribou herd."

Proposed Canadian Wildlife Service Wilderness Range

I think that is a most important aspect of his whole position, that the removal of not only the American wildlife range, but the proposed Canadian Wildlife Service wilderness range from utilization by other activities and I continue with Dr. Calef: "Mr. Commissioner, the applicants environmentalists have repeatedly expressed concern over the combined effects of several developments by choosing the interior route they could ensure that the wilderness character of the calving ground and the summer range of the Porcupine caribou herd would remain intact and therefore that these ranges would continue to first receive legal and social protection." And he goes on in a passage which indicates to me the whole human feeling about wilderness areas and this was also expressed by Mr. Pearson. "Finally from the point of view of human beings observing caribou, we should note that summertime when it is possible to travel, when there is light for photography and observation, and when the caribou are in very large herds moving through mountainous terrain where they can be observed from a distant height of land is the time when they are on the coast and the mountains near the coast. And I believe that I speak for most lovers of wilderness and observers of animals when I say that it would detract from the pleasure and the experience of observing a huge herd of caribou if there were a compressor station in the backdrop."

I would hope that before the discussion of the Commissioner's report is concluded and we are in committee, I would like to have before us an employee of this government, Dr. George Calef, and I would like to go over with him the decision that Commissioner Berger has made on this evidence, "this circumstantial evidence," and I would like to ask him with regard to his testimony before the commission, with regard to the total and final rejection by the Commissioner of that particular piece of range. I think this is very important, and I understand the feelings of the biologists and environmentalists and the people who would like to see land that is unmarred by man and to have it remain that way but I wonder if the cost to Canada has been truly assessed by Commissioner Berger.

It is going to cost many millions of dollars to pay for that caribou pasture on the north slope. I maintain too that from my understanding, and I have looked at the map of the line through the north Yukon, and I have studied the areas where the caribou calve, and where they move along the hills and slopes to where they collect in the parts of Alaska, the two activities would be separated by something like 20 or 25 miles. The caribou when they are calving do not go down on to the flats where the mosquitoes are and where they can not get wind. They calve in a dry area out of the muskeg and out of the water where the wind from the sea can cool them and can keep away the terrible pressure of mosquitoes. So, I say that there are many things to be looked at about this decision on the north slope. But unfortunately we have no appeal.

Emotional Involvement Of Professionals

When I was home on the week end a long-term resident of Inuvik, Mr. Mike Zubko, who owns and operates Aklavik Flying Service and in 1971 was flying around biologists and researchers who were carrying out preliminary studies relative to the Porcupine herd, was so alarmed and so perturbed that this particular area might be the whole crux of Commissioner Berger's decision that he had a statement notarized relative to a discussion that took place back in 1971. The man in question was a member of the Canadian Wildlife Service and I will read Mr. Zubko's statement: "I am a resident of Inuvik and a resident of the Delta since 1947, and president of Aklavik Flying Service Limited. In March 1971 this company was hired by Williams' Brothers (Canada) Limited to

transport research personnel from Inuvik to Old Crow and to do aerial game surveys in that area. The first flight departed Inuvik, March 29, 1971. Between April 15 and May 15, 1971, in conversation at my house in Inuvik, Mr. Elmer Debock, one of the scientists on the above project made a statement to the effect: in no way will a pipeline be built through that country. I recognized at that time the bias of this research team and told this to Mr. Phil Dau an executive of Williams' Brothers (Canada) Limited when he visited Inuvik, believed to be late May, 1971."

I just point out that even professionals become emotionally involved. I think that understandably they have become emotionally involved with a habitat and animals and a wilderness which is their whole life.

Dr. Frank Banfield, Authority On Caribou

Another thing I did too just to reassure myself that I was not being obtuse or pursuing a false trail, three hours ago I phoned Dr. Frank Banfield. As far as I know, Dr. Frank Banfield is one of, if not the most, respected authority on caribou in Canada. Dr. Banfield did work many years ago on the Kaminuriak herds and other herds in the Central Arctic area. I asked Dr. Banfield this question. Dr. Banfield when he testified before Commissioner Berger testified in support of the Canadian Arctic Gas proposal and it was his belief that a pipeline route along the north slope of Canada to the Yukon would not be detrimental to the herd. I asked Dr. Banfield three hours ago "Are you aware of the existence of research data, or have any studies that you have undertaken or even been associated with tending to support the Mackenzie Valley Pipeline Inquiry, Mr. Thomas Berger's statement to Hon. Warren Allmand on May 9 that if a pipeline is built along the coastal plain there will be serious losses to the herd?" Dr. Banfield's reply was an unqualified and unequivocal "No". He said that the Commissioner, or expressed concern to me that the remarks that appear in this beautiful book had been quoted completely out of context. That is Dr. Frank Banfield, a foremost caribou authority. He also said that this decision made by the Commissioner relative to the north Yukon has been based on several broad assumptions which can not really be supported by the evidence. They are that there will be a cumulative impact of a corridor which would include a gas line and roads and an oil pipeline, and that assumptions can not be supported by evidence because it is nowhere in the application. The only thing that was seen in the application was a buried pipeline, not one on stilts, but a buried pipeline with no berm, with just soil over the top and revegetated, if revegetation could occur. He also said that the Commissioner seems to be persuaded that Arctic Gas could not fulfil its commitments, and its commitment was to build in the winter before the caribou were anywhere near the north slope.

Dr. Lent, Against The Pipeline

In fact, another of the panelists was Dr. Lent and he too was what you might call a witness in opposition to the line and he was asked about this, and I think I will read this too because there were very few negative witnesses and Dr. Lent was one. I tried to get Dr. Lent this morning but apparently he no longer is in Alaska and has gone somewhere into the southern states to join an environmental organization there. "Mr. Carter: Dr. Lent, I will give you the recommendation again and ask you whether or not you would support such a recommendation. This is, dealing with the north slope. The pipeline construction will be completed at least one month prior to the calving period and that there will be no disturbance of any kind including aircraft overflight permitted during the calving period and during the post-calving aggregation. Now, assuming that the pipeline is constructed along the north slope, would you support such a recommendation? Dr. Lent: Yes. Commissioner Berger: So far so good.

Mr. Carter: I presume, Dr. Lent, that you support it because in your view if that were implemented it would have a mitigative effect on the possible impact of the pipeline. Dr. Lent: Yes, mitigative is a good word. Of course if you want to talk about whether it is a realistic recommendation in terms of its coming into reality, that is a different subject. Mr. Carter: Are you alluding to these slippages that you have talked about in your testimony?"

The slippages refer to the experience from the Alaskan Alyeska situation where construction commitments were not met, but here a witness in opposition to the line agrees that if commitments were met, if the construction commitments were met to build in the winter it would have mitigative effect, in effect, it would do very little, or have very little effect upon the Porcupine caribou herd.

There Must Be Some Appeal

So, I really only want to concentrate on that one area. I feel that there must be some appeal. It seems odd that we have a situation where Hon. Jean Chrétien says the line will be built in the national interest and it gives the commission to a man, a Canadian, and that man goes ahead and hears all kinds of evidence and comes back two and a half years or three years later and says there will be no pipeline and no pipeline across the Arctic slope. In effect as the newspapers point out, removing from the Government of Canada, removing from Hon. Jean Chrétien the decision that cabinet is required to make as elected officials on behalf of all the people. One man on circumstantial evidence is making this decision and there is no appeal.

I would like to just say a couple of more things on the commission. It also notes or mentions that there will be a white whale sanctuary in the Mackenzie. He suggests if you read the report that the manner of hunting at the present time is very wasteful and suggests that people go back to the harpoon and the kayak as they were doing. He is right, he is absolutely right, as I said there is a lot in here that is absolutely true.

MR. PEARSON: Hear, hear!

MR. BUTTERS: It is just where you put the emphasis, Mr. Pearson. So he recommends going back to the kayak so as to preserve the whales. But what I do not think is said here is the beluga herd is presently some 5000 animals and the increased hunting pressure on that herd would see many animals killed, when the female is killed the calves that they are weaning lost also. The kill right now is almost 300 a year and that is biologically almost two months for that herd to remain in balance. So the people having to go back to the land and being required to take their sustenance from that very fragile environment, fragile does not only mean the mosses and the sedges but it means the animals too, would put more pressure on those whales. I think the whale population would be in a very, very serious situation. Right now as I say I think the take is sufficient to make the existence of that herd a question mark.

Violent Reaction To The Pipeline

The Commissioner also mentioned some place about violent reactions to a pipeline, violence, and on page 198, I think it is, he reports, "Mr. Raymond Yakaleya, speaking at Norman Wells," and I quote: "Our backs are turned to the corners. This is our last stand. I ask each and every one of you in this room what would you do if you were in our shoes? How would you feel if you had these conditions on you? I ask you one more time, let us negotiate, there is still time, but do not force us, because this time we have nothing to lose. When I ask for the lives of my people, am I asking you for too much?"

As many of the statements that have been repeated in this report they are very moving. They are all northern voices speaking. This is the voice of a young man in Fort Norman. His name is Mr. Danny Lenny and I wish to quote some of these things because the report has included many positions, native positions on one side of the story. There are native people who think differently to the emotional environment that has been created in the report and in just some small measure to keep them in balance I will read these comments:

"Today I am a very disillusioned young man. I have heard that the Indian Brotherhood opposes any development of any kind over the next 20 years.

Someone has said that no man is an island and I believe that this holds true for nations, races, tribes, etc. Yet the Brotherhood who say that they have the interests of the native people at heart, are trying to create an island for the native people of the Northwest Territories. What about native development? Are you denying us the right to better ourselves? When I was young I was told countless times about the importance of education and yet with your stand on development you deny to all our school children the opportunity to use their education as they see fit. What will you do with all of the young people who graduate from high school and university in the next 20 years? Give them a job with the Indian Brotherhood? No, I tell you what will happen, they will all move south for jobs and that would be losing too much." He goes on:

Native And Northern Development Go Hand In Hand

"The sacrifices at the altar of the god shortsightedness goes on and on. What kind of an explanation do you give to these people? You are trying to take away with one hand and you offer nothing with the other. Native development goes hand in hand with northern development, that which you wish to stop for 20 years. When our ancestors fought for survival in this cruel and harsh land, they were realists and used a hell of a lot of common sense and if they did not they froze and starved to death. Where now is this common sense? Was it lost in the transfer from the bush into the settlements where comforts abounded? Was it flushed down the drains in the new low rental houses? I refuse to believe that it was lost at all. I have a greater faith in my people than that. A trapper who traps out in a certain area does not continue to trap there. He will look for other places to catch his fur. Yet this person is still the same man and he still does things the same way. I think the native people will always retain their culture. It is up to the native people to hang on to it. No one is trying to take it away or destroy it. Our environment and situation may change but I believe that the native person is hardy and flexible enough to retain that which he holds within. From the first trading post to what we have today the native culture has survived. It can only be destroyed by ourselves. And considering the direction in which we are going it has a good chance of dying." That is a young native northerner who is not quoted in this beautiful report.

I also quote from another document. It is a three or four page document and I will just read the last two paragraphs:

"Erasmus' Brotherhood maintains an illusion of support by viciously attacking with the intent of destroying the reputation and subsequently the credibility of any Indian who speaks out against them. Thanks to the Brotherhood's massive manipulation of the Berger hearings your futures will have been ruined by a few hate filled, childish persons unless you, the residents of the Northwest Territories, speak out to Ottawa for a pipeline. It may not be too late. Remember Berger's report is only a recommendation, not a final decision." That was Mr. Edward Cazon, a grossly misrepresented Indian. "P.S. I can prove everything I said in this article." Thus speaks another native person who is not found in this report and I think there are many such persons in my view. A petition was circulated by young people and when I was home on the week end I heard an interview in which these young people were discussing what they would do and when asked what will they do, whether they would go back to the bush, their answer was no, they will go out. They will leave their homes, leave their homeland, leave their northern homeland and join Canada because they want to live in the Canadian way, the Canadian style and in the Canadian manner.

There Are Solutions.

Now all that sounds bleak, but there are solutions and I think that we can offer solutions. We here can offer solutions because I think that there will be no solutions offered from the South. If the Canadian government is to change its mind with regard to the pipeline it will have to be done in the North. It may have to be done by the Members of this body. As Mr. Pearson says, a lot of responsibility rests on our shoulders. We have educated people and we have spent \$45 million or are so spending this year to educate people and as he says, where are they going to go? I do not know. Mr. Pearson does not know.

So, I feel that we must attempt to encourage Canada and especially professionals to re-examine the assumptions and the evidence upon which Judge Berger made his findings. It is circumstantial evidence upon which he made his major decision, upon which he made a decision which is contrary to what Hon. Jean Chrétien the minister of Indian Affairs and Northern Development told us in this room only three years ago. So maybe there will be somebody who can examine it, will examine the evidence with regard to the Porcupine caribou herd for that is the one piece of evidence which kills the line, the Canadian Arctic Gas line.

The other thing, I intend to table before too long this report on the presentation made by the Committee of the Original Peoples Entitlement last Friday in Ottawa. I know the Committee for Original Peoples Entitlement has said and it says again in this report: "Let us say clearly and unequivocally to you what our position is about a pipeline. We do not want it. We do not think it is worth the environmental and social costs."

However, there are some very, very interesting departures in this proposal from land claims proposals that we have seen and heard of before. It is probably the most realistic proposal that has been made by any northern native group, the Inuit Tapirisat of Canada included. I think there are many, many good things in here and I think that it is something that we should study before we leave to return to our constituencies this session.

The other thing I feel is that if this whole decision is to be turned around it can only be turned around by the people of the territories, the people of the North, the people of the communities in which the Mackenzie Valley Pipeline Inquiry sat and held hearings. This is why I think this requirement for a referendum is so important at this time, so important to give all the people an opportunity to vote with their feet because I know a lot of people did not take the time to be heard by Commissioner Berger and when you have jobs and are working and things are good, you do not get involved in these things and many people stayed away. I feel that a referendum would be a mechanism by which every resident could make his desires and intent known, every resident of those 35 or 36 communities in which the Mackenzie Valley Pipeline Inquiry held its hearings.

---Applause

MR. SPEAKER: This House stands recessed for 15 minutes for coffee.

---SHORT RECESS

MR. SPEAKER: The Chair recognizes a quorum. Item 2, replies to the Commissioner's Address. Are there any further replies this afternoon?

ITEM NO. 3: QUESTIONS AND RETURNS

Item 3, questions and returns.

Are there any returns? Deputy Commissioner Parker.

Return To Question W8-62: Fishing Problems In Snowdrift.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, Question W8-62 was asked by Mr. Whitford on May 12, on the Snowdrift band council's request for commercial fishing assistance.

In late spring 1976 a delegation from Snowdrift visited the fishery development section with a request for assistance in commercial fishing. The group stated the band's interest in participating in the commercial fishery on Great Slave Lake and requested to know what kind of assistance was available. They were informed that they could take advantage of the outpost camp program to set up a fishing camp in the Simpson Islands and that the fishery development section would assist in the procurement of nets and gear if these could not be obtained through the Freshwater Fish Marketing Corporation.

Mr. Tinling, of the Department of Natural and Cultural Affairs, contacted the local manager of the corporation in Hay River and explained the situation and requested assistance in the form of loans to procure gear. The corporation agreed and outfitted ten fishermen from Snowdrift.

During the approximate time of the delegation's visit to the fishery development section, the delegation also had a meeting with Mr. H. Trudeau, district manager, Fisheries and Marine Service. They requested that the east arm of Great Slave Lake, area VI, be reopened for commercial fishing. This area was closed in 1973 for biological reasons against commercial fishing for the protection of the last remaining trout stocks in Great Slave Lake.

One of the reasons for the closure was that in the main lake proper at the beginning of the commercial fishing in 1949, the ratio of trout to whitefish was one to one. The 1972 ratio of trout to whitefish was one to 94 which indicated a serious decline of the trout stocks. In area VI the ratio was not critical and the closure was initiated for the protection of the species.

The delegation was informed of the reasons for the closure and that there was little or no chance that the Minister of Fisheries would entertain any suggestion or pressure to reopen area VI.

During the summer of 1976, ten commercial fishermen from Snowdrift were assisted by the Freshwater Fish Marketing Corporation through the advancement of fishing gear and supplies. Indications were that these fishermen did quite well in their catch. Their final net cash gains are not known.

During the director's conference held in Snowdrift in September, 1976, the Snowdrift band council approached the Commissioner for assistance in commercial fishing. They requested a large vessel to enable them to haul fish from the east arm to the Freshwater Fish Marketing Corporation receiving station on Simpson Islands. The Commissioner replied that he would look into their request. The band also stated that they wished to have area VI reopened exclusively for the local resident commercial fishermen of Snowdrift, and that they had no idea why this area had been closed unless it was to accommodate the sports fishing lodges.

In November 1976, Mr. Tinling held a meeting with the band council in Snowdrift to explain the "rationale for closing Great Slave Lake administrative area VI to commercial fishing." During the meeting he expressed his opinion that the Fisheries and Marine Service would not entertain the reopening of area VI to commercial fishing. However, as a band council they might wish to present their petition direct to the Minister of Fisheries in Ottawa. If in the event they received a negative reply, this government would be willing to assist the Snowdrift residents to enter into the commercial fisheries by assisting them to establish a summer camp in Simpson Islands through the Outpost Camp program and the Fishermen's Assistance program.

On January 27, 1977, the Snowdrift band council wrote to the Right Hon. Pierre Trudeau, Prime Minister of Canada, with their petition for the reopening of area VI. Tabled Document 10-62.

In May, 1977, during a telephone conversation with the Freshwater Institute, Fisheries and Marine Service, Winnipeg, Mr. Tinling was informed that the Minister of Fisheries had forwarded a copy of the January 27 letter to the institute for reply. The indications were that area VI would not be reopened to commercial fishing for anyone.

On April 21, 1977, Mr. Tommy Lockhart wrote to the Hon. Warren Allmand on behalf of the Snowdrift band seeking a reply to their submission to the Prime Minister. A copy is attached for information to this reply.

The Department of Natural and Cultural Affairs is prepared to assist the Snowdrift commercial fishermen to set up a camp for their families on Simpson Islands so the fishermen may participate in the fishing this summer.

Return To Question W23-62: Conduct Of A Plebiscite

Mr. Speaker, on Monday, May 16, Mr. Steen asked if this Legislative Assembly has the authority to order a plebiscite.

Since the holding of a plebiscite requires the expenditure of funds, the Commissioner must approve that expenditure. The Assembly may therefore recommend but may not order a plebiscite.

MR. SPEAKER: Written questions. Are there any further returns?

Return To Question W10-62: Fort Resolution Sawmill

HON. PETER ERNERK: Yes, Mr. Speaker.

Mr. Speaker, on May 12, 1977, Mr. Whitford asked a question concerning the Fort Resolution sawmill and I have the following reply.

The Slave River sawmill at Fort Resolution has been working at a reduced scale for the last three weeks as a number of workers are out trapping. The manager, Mr. Ray Orbell has advised that it is now in full operation since yesterday, May 16, 1977. The Department of Economic Development and Tourism plans to hold a meeting later this week with the board of directors of the sawmill and the residents of Fort Resolution. The date of the meeting will depend upon when the board of directors is available to discuss present and future plans. Once the date has been established the department proposes to invite Mr. Whitford, Member for Great Slave Lake, to accompany the representatives of the department to Fort Resolution to meet with the board of directors and participate in the meeting.

MR. SPEAKER: Are there any other returns? Written questions. Mr. Butters.
Question W29-62: Status Of N.W.T. Labour Standards Ordinance

MR. BUTTERS: Mr. Speaker, at Rankin Inlet I inquired whether the administration could give us some advice on the status of the provisions of the Northwest Territories Labour Standards Ordinance, which were refused passage because they were in conflict with federal legislation, specifically the Canada Labour Code. My understanding is that the Commissioner undertook to pursue that matter to clear the way so that our ordinance could go ahead.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I do not believe we have made any progress, but I will inquire to see if there are any recent developments and make a further reply.

MR. SPEAKER: Are there any further written questions?

Item 4, oral questions. Mr. Butters.

ITEM NO. 4: ORAL QUESTIONS

Question 030-62: Attendance Of Dr. Calef During Mackenzie Valley Pipeline Inquiry

MR. BUTTERS: Thank you, Mr. Speaker. Just to advise, relative to agenda item -- on the Report of the Mackenzie Valley Pipeline, I would inquire whether Dr. George Calef would be available to attend with us during this session to discuss matters relative to that report. Dr. Calef is a member of this administration.

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question 030-62: Attendance Of Dr. Calef During Mackenzie Valley Pipeline Inquiry

DEPUTY COMMISSIONER PARKER: Mr. Speaker, if Dr. Calef is either in Yellowknife or can return to Yellowknife I am sure the administration would be pleased to have him attend.

MR. SPEAKER: Item 5, petitions.

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

ITEM NO. 6: REPORTS OF STANDING AND SPECIAL COMMITTEES

MR. BUTTERS: A point of order, Mr. Speaker. When will the chairman of the special committee on constitutional development be making his report on the meeting of his committee with the Hon. Alistair Gillespie this morning?

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, hopefully we will be able to do this when we come to the tabling of that document later in the session.

MR. SPEAKER: Item 7, notices of motion. Mr. Lafferty, Item 6.

Report Of The Standing Committee On Finance

MR. LAFFERTY: Mr. Speaker, the standing committee on finance met on May 16, 1977, to consider the proposed supplementary estimates for the 1977-78 fiscal year. The committee found the estimates to be in order and considers the amounts requested justified. The standing committee on finance therefore recommends to this House that the supplementary estimates, as submitted, be approved. The committee further recommends that with regard to activity 1016, namely, the proposed provision of \$50,000 in funding to the Northwest Territories Metis Association, that it be used as funding for its Northwest Territories locals, but the president of the association be requested to appear before the Assembly during this discussion of this in committee of the whole. Thank you, Mr. Speaker.

MR. SPEAKER: Are there any further reports?

Item 7, notices of motion. Mr. Butters.

ITEM NO. 7: NOTICES OF MOTION

Notice Of Motion 14-62: Alaska Highway Pipeline Project

MR. BUTTERS:

WHEREAS the report of the commission of the Mackenzie Valley Pipeline Inquiry if implemented would seriously depress and diminish economic development in the Mackenzie district of the Northwest Territories for a decade or more;

AND WHEREAS it is demonstrably in the territorial and national interest for petroleum, to continue and even accelerate their exploration programs in Canada's Western Arctic;

AND WHEREAS if this exploration activity should delineate reserves large enough to be required by Canada within the ten year moratorium period on a Mackenzie Valley pipeline recommended by Mr. Justice Thomas Berger, such resources should be, and will be, developed by the people of Canada;

AND WHEREAS there remains a possibility that the Government of Canada will accept Justice Berger's recommendation for a ten year moratorium on pipeline development in the Mackenzie Valley and the petroleum resources of six trillion cubic feet of natural gas currently proved up in the Mackenzie Delta would be moved to southern Canada through a spur line to the Yukon Alcan pipeline system which would parallel the Dempster highway;

AND WHEREAS such an arrangement will have direct economic effects, benefits and pressures on the Western Arctic and the Mackenzie district, specifically, and is therefore of concern and interest to the Members of this House;

NOW THEREFORE, I move that this House indicate to the Commissioner of the Alaska Highway Pipeline Inquiry its interest in making a presentation to his inquiry.

MR. SPEAKER: Further notices of motion?

Item 8, motions for the production of papers.

Item 9, motions.

ITEM NO. 9: MOTIONS

Motion 6-62, which I think is Mr. Butters.

MR. BUTTERS: Mr. Speaker, I will be happy to give my space up to somebody else and come in on the last slot here. There apparently are changes to be made in the motion to keep it in accordance with the Deputy Commissioner's reply.

MR. SPEAKER: Motion 6-62, Mr. Butters, is the attendance of Mr. Carl Nickle at this session.

MR. BUTTERS: I do not wish to move that motion so it will be just left on the order paper.

Motion 6-62, Withdrawn.

MR. SPEAKER: You do not intend to move this at this session? Then can we withdraw it rather than asking for it each day?

Motion 8-62, Hon. Arnold McCallum.

Motion 8-62: Consideration Of Special Committee On Constitutional Development

HON. ARNOLD McCALLUM: Mr. Speaker:

WHEREAS the special committee on constitutional development has been meeting periodically since March 13;

NOW THEREFORE, I move that this House be resolved into committee of the whole at its convenience to consider the report of the special committee on constitutional development.

MR. SPEAKER: Is there a seconder? Mr. Butters. Any discussion?

SOME HON. MEMBER: Question.

Motion 8-62, Carried

MR. SPEAKER: The question being called. All in favour? I guess there is no use calling the contrary as it is unanimous.

---Carried

Motion 11-62, Withdrawn

Motion 11-62, that is your motion, Mr. Butters, with respect to the proposal of the referendum. You will be redrafting that in the form of a recommendation to the Commissioner, will you?

MR. BUTTERS: Yes, sir. I have been advised by our Legal Advisor that some changes will have to be made and if I may stand this down until tomorrow to have these changes made and have them put in properly so you will know what the amendment will be.

MR. SPEAKER: If I may suggest, Mr. Butters, I think the proper procedure would be to withdraw this motion itself and then ask to go back to notices of motion or just give notice that you wish to reintroduce in effect this motion with the appropriate changes so that it will become a recommendation to the Commissioner and then you could put it in the book.

MR. BUTTERS: Agreed.

MR. SPEAKER: So we will withdraw this one and then after you may just ask to go back to notices. Motion 12-62, Mr. Pudluk.

Motion 12-62: Arctic Bay Airstrip

MR. PUDLUK: Mr. Speaker:

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 the winter months for emergencies and store goods.

MR. SPEAKER: It seems to me, gentlemen, that that motion could properly as well be a recommendation, because the way it reads it would obviously imply the expenditure of money. Does the opening of the Arctic Bay airstrip require the expenditure of money? I do not know that situation that well.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I realize that the motion you are considering, that the intent of the motion is to have the Arctic Bay airstrip open if at all possible and the administration would be quite well satisfied to accept the intent of the motion if it passes as one of a request and recommendation.

MR. SPEAKER: Proceed, Mr. Pudluk. Is there a seconder? Mr. Lafferty. Discussion?

MR. PUDLUK: Mr. Speaker, my friends, I am not going to make a big explanation on this. When the Nanisivik airstrip opened the flight was allowed to go to Arctic Bay. We have a road 17 miles long from Arctic Bay to Nanisivik. Most of the time it has been closed because it is away up in the hills, Nanisivik airstrip, and it takes a little more -- they remove the snow from the airstrip and then the road. So sometimes they have to wait about four or five days to get their goods to Arctic Bay. They can get it by skidoo but it is going to spoil the apples and other things. You see, things necessary for the nursing station are not to be frozen and are for emergency use, and they have to leave them there too long. Sometimes it is okay, but they have some problems in the summertime, but not that serious.

I think that is just about all I can explain right now. There is a lot more, but I wonder if there were any questions that I could answer. Thank you, Mr. Speaker.

MR. SPEAKER: Further discussion? Mr. Butters.

MR. BUTTERS: Mr. Speaker, what disturbs me about this motion is it seems this is the second time that the Honourable Member has brought it to the House and it does not appear to have had any action yet. I thought it was a motion to see that an airstrip in his riding was serviced all year round. What I would like to know is whether this service is provided by the Government of the Northwest Territories or should be, or whether it is the Hon. Otto Lang and his department which should supply the service, because it seems to me that Hon. Otto Lang has not been too well aware of transportation concerns in the North, even though he has visited here for a couple of hours in his own private government jet. He does not seem to be reacting to the needs of the people who live in the outlying communities and the remote communities. I think this motion of the Honourable Member is most important and I would like to urge somehow that it be brought to Hon. Otto Lang's personal attention so he can say whether he can do this or not.

MR. SPEAKER: Further discussion? Mr. Pearson.

MR. PEARSON: I would like to support the motion. There have been motions almost to this effect before and again the Arctic Bay community which has been nestling in the fiords of the area for thousands of years, inhabited by people without the basic amenities to make life comfortable and yet 17 miles away this government has spent millions and millions of dollars building jet strips, housing and everything else.

SOME HON. MEMBERS: Shame!

Priorities Must Be The People Who Live In The Communities

MR. PEARSON: A basic commodity they require is a serviceable strip and seven years ago the Ministry of Transport saw fit to set it down. They forget that it is in darkness but it is a relatively simple matter to make an airstrip serviceable by putting some lights in and serving the people

who live there and will live there for the next thousands of years and not some mine that will go belly up in a few years when that type of nickel goes down and makes it uneconomical. The priorities again, Mr. Speaker, have got to be the people who live here.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, it is with a great deal of restraint that I will withhold from debating because that is not my role, but I think that Mr. Butters asked some specific questions and I think it is only fair that the information be provided to this House.

The responsibility is not that of the federal Minister, Hon. Otto Lang. The responsibility for local airports as has been explained in this House falls within a program which is operated jointly by the territorial government and the Ministry of Transport with the operational side belonging to the territorial government. The Arctic Bay airport was never designated an airport by the Ministry of Transport. The Ministry of Transport at no time recognized it as an airport and for anyone who has been there they would realize that it is a very difficult location for an airport and there is no conceivable way with the expenditure of a minimal amount of money that it could be made into a safe or operable airport in winter.

The Government of Canada at great expense, admittedly, has built a major airport which can serve the community of Arctic Bay and the Nanisivik mine. If the airport had been built to serve only the community of Arctic Bay I believe that the location would have been exactly the same or close to where it is now because of the condition of the topography.

Few Good Locations.

In other words, there are very few good locations for an airport there. The fault is in the means of transportation from the newly constructed airport to the hamlet of Arctic Bay. The road needs further improvement, it was only roughed out last year, the connecting road, and it will receive further attention and it will receive a higher level of snow clearing. If that can not be achieved then clearly what has to be done is that a means of getting back and forth, a heated over-snow vehicle should be operated and that could be done considerably more cheaply than maintaining two airports only 17 miles apart. If all else fails then an airstrip on the sea ice in front of Arctic Bay would have to be put into use for winter conditions.

However, we would have no intention of trying to keep the Arctic Bay landstrip open in winter because it does not meet the necessary specifications for safety. The closest airport which could be kept open would be on the sea ice as has traditionally been the case. If this motion passes then the administration will examine a means of meeting the Member's requirements because it is a real requirement, I do not question that for one moment, but the means may be either a better means of transportation between the airport, which is an excellent airport, and the community or the opening of a strip on the sea ice for winter use.

MR. SPEAKER: Is there any further discussion on that motion?

SOME HON. MEMBERS: The question.

Motion 12-62, Carried

MR. SPEAKER: The question. The question being called. All in favour? Carried unanimously.

---Carried

Item 10, tabling of documents. Mr. Butters.

MR. BUTTERS Mr. Speaker, I would like to return to notices of motion, wherever that is. I would like to withdraw Motion 11-62 first.

MR. SPEAKER: Mr. Butters would like to withdraw Motion 11-62 and return to -- Mr. Butters, there is one more motion, I am sorry, Motion 13-62 and perhaps we had better deal with that before we go back to notices of motion. Mr. Stewart.

Motion 13-62: Construction Of An Alberta Power Line

MR. STEWART: Mr. Speaker:

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: Is there a seconder? Hon. Dave Nickerson. Any discussion? Mr. Stewart.

MR. STEWART: Mr. Speaker, I tabled documents relative to this subject the other day and you will find them in the back of your tabled documents. Basically it is a new concept and there now appears to be some agreement between Northern Canada Power Commission and Alberta Power so that in effect a tie line can possibly be constructed in the very near future. My intention by way of this motion is to show that we agree with this proposal.

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

SOME HON. MEMBERS: The question.

Motion 13-62, Carried.

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

---Carried

Now, is the House prepared to give unanimous consent to Mr. Butters to return to Item 7 and give notice of a new motion? Is it agreed?

---Agreed

REVERT TO ITEM NO. 7: NOTICES OF MOTION

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

MR. BUTTERS: I wish to give notice that tomorrow, the 18th, I will move Motion 11-62 that has just been withdrawn in a manner which is acceptable to the House.

MR. SPEAKER: Thank you, Mr. Butters.

Item 10, tabling of documents. Hon. Arnold McCallum.

ITEM NO.10: TABLING OF DOCUMENTS

HON. ARNOLD McCALLUM: Mr. Speaker, I wish to table, Tabled Document 17-62, Priorities for the North, which is a submission to the Hon. Warren Allmand, the Minister of the Department of Indian Affairs and Northern Development for inclusion in his forthcoming northern policy statement.

MR. SPEAKER: Item 11, first reading of bills. I am sorry, Mr. Butters.

MR. BUTTERS: I have a document to table.

MR. SPEAKER: Go ahead.

MR. BUTTERS: I wish to table, Tabled Document 18-62, Press Summary of Inuvialuit Nunangat, a summary of the proposal made by the Committee for Original Peoples Entitlement to Hon. Warren Allmand, dated Friday last, May 13.

MR. SPEAKER: Thank you. Are there further documents to be tabled?
Hon. Peter Ernerk.

HON. PETER ERNERK: I wish to table the following documents: Tabled Document 19-62, Consultations on the Proposed Wildlife Ordinance; Tabled Document 20-62, An Ordinance Respecting Wildlife in the Northwest Territories and, Tabled Document 21-62, discussion paper, Northwest Territories Wildlife Regulations. I should state that all of these, at least two of these, Consultations on the Proposed Wildlife Ordinance as well as an Ordinance Respecting Wildlife in the Northwest Territories are both translated into Inuktitut. If I may, Mr. Speaker, I would like to read the attached statement with regard to these ordinances.

MR. SPEAKER: Proceed.

The Northwest Territories Game Ordinance

HON. PETER ERNERK: Thank you. The Northwest Territories Game Ordinance touches the lives of more people in the Northwest Territories than perhaps any other legislation. The reasons for this are not difficult to understand. Hunting, fishing and trapping have sustained the native populations of the territories for generations and continue to do so.

The Northwest Territories Game Act was adopted in 1906. It was based on earlier legislation for the protection of wildlife in the Northwest Territories, and was superseded by the Northwest Territories Game Ordinance in 1949. The Game Ordinance has been amended a number of times since then, the most recent amendment was made in 1972. An extensive review and revision of the Game Ordinance was started in 1972 to make our legislation more responsive to the needs of a rapidly changing and highly mobile northern society.

Fish and wildlife officers began the revision process by talking with hunters and trappers about new game laws. It soon became evident that existing laws were so poorly understood that the people could not contribute meaningfully to the discussion of new laws. Mr. Frank Bailey a 50 year resident of the North, was then employed to visit the communities in the Northwest Territories to explain the existing game laws and to record the concerns and wishes of the people for wildlife legislation. He visited 52 communities, some of them on several occasions, from September 1975 to April 1977. He reported his findings to the Northwest Territories Game Advisory Council. This report is one of the papers to be presented here today. The report will be amended as the remaining communities are visited.

Game Advisory Council

The Game Advisory Council began a detailed review of the proposed wildlife ordinance in May, 1976. The members worked hard for many weeks and offered valuable advice to the Commissioner on development of the proposed ordinance. The proposed wildlife regulations are receiving the same detailed review by the Advisory Council.

It has been the task of the Fish and Wildlife Service to consider the requests and concerns of the people, receive the input from the Game Advisory Council through the Commissioner, and then, after ensuring all managements' concerns for wildlife have been met, to bring all aspects together into a proposed wildlife ordinance.

The discussion papers presented today propose no changes to native rights that are safeguarded in acts and treaties. For example, the general hunting licence which is a symbol of claim to aboriginal rights by the native people, particularly for the Metis and non-status Indians, has not been significantly changed. The proposed wildlife ordinance is based on the premise that the native people of the Northwest Territories have the first claim on the use of wildlife resources. Any wildlife that is surplus to the requirements of the subsistence users should be managed for the benefit of all residents and non-residents.

It is particularly significant today that the discussion papers presented here have been developed in consultation with the people who stand to be most directly affected by new legislation. This consultation process has not ended. You are now invited to participate in the discussions on how to make this ordinance a useful instrument for wildlife management in the North. It is the intention of the administration that this ordinance be studied clause by clause at a special session to be held later this fall.

MR. SPEAKER: Thank you. Are there any further documents to be tabled?
Mr. Butters.

MR. BUTTERS: On a point of order, sir. The document just tabled by the Honourable Minister, it is as he said, a very important one and will it be circulated and made available to a very large extent in all the communities, did I understand him to say that?

HON. PETER ERNERK: Yes, Mr. Speaker.

MR. SPEAKER: Item 11, first reading of bills, Bill 7-62. Hon. Arnold McCallum.

ITEM NO. 11: FIRST READING OF BILLS

First Reading Of Bill 7-62: Supplementary Appropriation Ordinance No.1, 1977-78

HON. ARNOLD McCALLUM: Mr. Speaker, I move that 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, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Stewart. The question.

SOME HON. MEMBERS: The question.

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

---Carried

Item 12, second reading of bills.

ITEM NO. 12: SECOND READING OF BILLS

Bill 7-62. Hon. Arnold McCallum.

Second Reading Of Bill 7-62: Supplementary Appropriation Ordinance No. 1, 1977-78

HON. ARNOLD McCALLUM: Mr. Speaker, I move that 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, be read for the second time.

The purpose of this bill, Mr. Speaker, is to provide additional expenditures to be voted for the public service of the Northwest Territories for the fiscal year ending March 31, 1978.

MR. SPEAKER: Is there a seconder? Mr. Lafferty. Any discussion?

SOME HON. MEMBERS: The question.

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

---Carried

Item 13, consideration in committee of the whole of bills, recommendations to the Legislature, information items and other matters.

ITEM NO. 13: 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 consideration of... I have an indication that you wanted to discuss Canadian National Telecommunications, Hon. Peter Ernerk?

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

MR. SPEAKER: This House will resolve into committee of the whole for discussion of...

HON. PETER ERNERK: Excuse me, but I see the witnesses are not here this afternoon. It would be my recommendation then to discuss the second most important item on the agenda. I believe the Clerk of the House has it on his desk.

MR. SPEAKER: He has given me the list and the second one is the Auditor General's report and the Auditor General's representative who was here a while ago is not here either. So maybe what we had better do is why do we not put the CNT matter into committee of the whole and recess for five minutes? He is a local witness and he can be here in that time.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: This House will resolve into committee of the whole for consideration of matters relating to CNT operations in the Mackenzie district, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of matters relating to CNT operations in the Mackenzie district, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER MATTERS RELATING TO CNT OPERATIONS IN THE MACKENZIE DISTRICT

THE CHAIRMAN (Mr. Stewart): I am really not that anxious to get up here and I apologize, Mr. Speaker. The committee will come to order. The committee of the whole relative to the CNT discussion. We will recess for five minutes until the witness can appear. The committee stands recessed.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls this committee back to order. Unfortunately the witness is not present at this time so I suggest we report progress. Is it agreed?

HON. PETER ERNERK: Nay.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Gentlemen -- I am sorry, Mr. Stewart.

Report Of Committee Of The Whole Of Matters Relating To CNT Operations In The Mackenzie District

MR. STEWART: Mr. Speaker, your committee has been sitting in frustration and wishes to report progress.

MR. SPEAKER: Gentlemen, I am told that no witnesses are required for Bill 7-62, Supplementary Appropriation Ordinance No. 1, 1977-78.

SOME HON. MEMBERS: Agreed.

HON. DAVE NICKERSON: Mr. Speaker, I believe it was a recommendation of the chairman of the standing committee on finance that witnesses from the Metis Association be requested to appear when the supplementary estimates were being debated.

MR. SPEAKER: I am unaware of what is behind most of these matters so maybe someone who has more knowledge about them than I can suggest that, which we can do. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, with regard to the supplementary appropriation, I believe that Mr. Hardy has been advised that his presence would be requested for one item of the supps and I am sure that if he does not happen to be here for that item it could be handled at a time when he is here.

MR. SPEAKER: You are suggesting we proceed with the supps with the exception of that item?

DEPUTY COMMISSIONER PARKER: Yes.

MR. SPEAKER: Any objection to that approach gentlemen?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly will resolve into committee of the whole for discussion of Bill 7-62, Supplementary Appropriation Ordinance No. 1, 1977-78, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 7-62, Supplementary Appropriation Ordinance No. 1, 1977-78, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-62, SUPPLEMENTARY APPROPRIATION ORDINANCE NO. 1, 1977-78

THE CHAIRMAN (Mr. Stewart): The committee will come to order to consider 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. I understand that the bill has not been translated, however, that we have the agreement of the Members that they understand it fully and it does not require translation; is that correct? Agreed?

---Agreed

Comments of a general nature on Bill 7-62 and unfortunately the chairman of the finance committee seems to have disappeared. While we are awaiting the arrival of the chairman we will take comments of a general nature on Bill 7-62. No comments of a general nature? Are you ready to go clause by clause?

---Agreed

Clause 2, amount granted for 1977-78. Agreed?

---Agreed

Clause 3, purpose and effect of each item. Agreed?

---Agreed

Mr. Evaluarjuk.

MR. EVALUARJUK: Mr. Chairman...

THE CHAIRMAN (Mr. Stewart): I am sorry, I did not get it plugged in fast enough. Could you repeat?

MR. PEARSON: We do not have any interpretation services at the moment.

HON. PETER ERNERK: Mr. Chairman, there is no interpretation coming through the machines.

THE CHAIRMAN (Mr. Stewart): It has been one of those kinds of days, gentlemen. Gentlemen, with the kind of afternoon we have been having, is it agreed we adjourn until 7:30 o'clock p.m., this evening and start this thing all over again?

---Agreed

---DINNER RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. Is our PA system working? We had actually started with the main body of the bill, Bill 7-62. I am not sure how long the PA system was out, so I will ask for clause by clause again.

Clause 2, amount granted for 1977-78, agreed?

---Agreed

On clause 2, the amount that should be filled in should be \$3,677,700.

Clause 3, purpose and effect of each item.

HON. ARNOLD McCALLUM: Mr. Chairman, the amount that goes in there, is that \$3,677,700?

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

Clause 3, agreed?

---Agreed

Clause 4, lapsing of appropriations, agreed?

---Agreed

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

---Agreed

Executive, O And M - Activity 1016, Grants To Organizations

Now, we will turn to page three for a breakdown, grants to organizations, activity 1016, supplementary estimate in the amount of \$50,000 to provide funding to the Northwest Territories Metis Association to be used as core funding for locals. I understand it was the wish of the committee to call the president of the Metis Association and I see him in the gallery, Mr. Rick Hardy, and is it your wish to call him at this time?

---Agreed

Mr. Hardy, would you join us please at the table? Thank you for showing up this evening, Mr. Hardy, after coming this afternoon and having to go back and come back again.

Are there any questions of the witness? Hon. Dave Nickerson.

HON. DAVE NICKERSON: First of all, Mr. Chairman, I would like to thank Mr. Hardy for finding the time to come and join us this evening. It is always a pleasure and a privilege to have such an eminent witness. I must admit that the intention of the Assembly in inviting him was not to discuss in detail the matter of the \$50,000 grant application, but rather to be able to talk to the president of the Metis Association in a general manner. Perhaps the first question should be specifically related to the \$50,000 and perhaps, Mr. Chairman, it would be possible if we could be told how it is anticipated that these funds will be used and what purpose will be made of them by the locals.

THE CHAIRMAN (Mr. Stewart): Could you give us a rundown on that, Mr. Hardy?

Use Of Funding For Metis Association

MR. HARDY: Mr. Chairman, the \$50,000 basically is the continuation of the program that was partially funded by this Assembly last year and it is for the operation of offices within four communities; Fort Smith, Hay River, Yellowknife and Inuvik. Now, three of these offices were operated last

year; Fort Smith, Yellowknife and Hay River and we hope to establish an office in Inuvik this year. The way these offices operate is pretty well independent of the Northwest Territories Metis Association. They would be run by the local people, by the local organization and their primary concern is in the area of programs and we hope in the long-range that the primary concern would centre around economic involvement and employment opportunities.

Also, we are involved in other areas such as day to day problems that our people face generally with different government agencies and I guess you could call these offices, they fulfil the role of an ombudsman and are concerned with housing matters and welfare matters and in one particular instance which is Hay River they are quite involved in assisting people who do not know how to read and write, answering letters for them and reading them and that sort of thing.

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

Consultation On Land Claim Proposal

HON. DAVE NICKERSON: I understand that a process of consultation with the members of the Metis Association is taking place with regard to the land claim proposal that has been put forward as a draft document by the Metis head office. I am very pleased to see that you take this approach. Presumably, this will enable you to come up with a finished document that has the full support of your membership and which your members fully understand. I wonder if you could perhaps detail how this process of consultation with your membership is taking place and whether the Metis locals are involved in this process?

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

MR. HARDY: The process of consultation which we started a month ago has not really gone as far as we hoped it would be by this time. We started out in the Mackenzie Delta; we went into three communities, Aklavik, Fort McPherson and Arctic Red River also Inuvik, but we did not have an official meeting there but talked to various people. The difficulty we ran into was that there was a great concern expressed in the communities that rather than coming around with what many considered was a second land claims proposal, in respect to what the Brotherhood did, perhaps our association should be putting more effort into trying to organize something that would put all the people of Indian descent into one organization. So, we took the feelings of those communities very seriously and called our board of directors together and worked out some ideas on how we could get all the native people of the Mackenzie Valley working together in one organization. We attempted to put this idea across to the various chiefs of the Indian tribes and, as some of you may have heard on the news yesterday, we met with no success in that effort. So, as a consequence we have really lost a month in our consultation process and we are bringing our board of directors in again, starting tomorrow, to reassess our situation.

However, on the consultation process, how we have seen it happening up until now, is to visit every community that we have an active local in and to have open public meetings to discuss the ideas we were kicking around. I hope that answers the question.

O And M - Activity 1016, Grants To Organizations, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Hardy. Any further questions of the witness? Activity 1016, supplementary estimate, \$50,000. Is it agreed?

---Agreed

On behalf of this committee, thank you very much, Mr. Hardy, for attending.

---Applause

Information, O And M - Activity 1113, Printing Unit

Page four, activity 1113, printing unit, in the amount of \$170,000. It is a program transfer, with no new money involved. Is it agreed?

---Agreed

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

Page five, municipal affairs, activity 2022 in the amount of \$750,000. You have a breakdown on that page. Is it agreed?

---Agreed

Economic Development, O And M - Activity 6060, Finance And Administration

On page six, finance and administration, activity 6060 in the amount of \$200,000. Is it agreed?

---Agreed

Executive, Capital - Activity 1010, Executive Office

Capital on page seven, Executive office, activity 1010 in the amount of \$86,900. Is it agreed?

---Agreed

On page eight, capital, activity 1113, supplementary estimate in the amount of \$50,000. Hon. Peter Ernerk.

HON. PETER ERNERK: I think you missed activity 1012 at the bottom of page seven in the amount of \$40,000.

Executive, Capital - Activity 1012, Regional Administration

THE CHAIRMAN (Mr. Stewart): You are perfectly correct. My apologies. Are we agreed to activity 1012, regional administration, in the amount of \$40,000?

---Agreed

Information, Capital - Activity 1113, Printing Unit

On page eight, activity 1113, printing unit in the amount of \$50,000. Is it agreed?

---Agreed

Personnel, Capital - Activity 1448, Housing

Page nine, capital, housing, activity 1448 in the amount of \$82,000. Is it agreed?

---Agreed

Natural And Cultural Affairs, Capital - Activity 1522, Museums And Historical Sites

Page ten, capital, activity 1522, museums and historical sites, in the amount of \$67,900 to authorize revotes, the revoting of money. Is it agreed?

---Agreed

Capital - Activity 1525, Recreation

Activity 1525, recreation, in the amount of \$88,800, a revote. Is it agreed?

---Agreed

Local Government, Capital - Activity 2022, Municipal Affairs

Local government, page 11, capital, municipal affairs, activity 2022 in the amount of \$890,800. Hon. David Searle.

HON. DAVID SEARLE: I would just like to ask a question and unfortunately it is two activities back, but the question is a very simple one. When will the museum here in Yellowknife be finished? It seems to be taking an awful long time.

DEPUTY COMMISSIONER PARKER: The museum will be finished in June of 1978.

HON. DAVID SEARLE: What are we doing between now and then?

DEPUTY COMMISSIONER PARKER: We are building the second stage, or the next and final stage I guess I should call it, which is really the major display areas. The contractor has already commenced work.

THE CHAIRMAN (Mr. Stewart): Thank you. We are now on page 11, activity 2022 in the amount of \$890,800. Mr. Steen.

MR. STEEN: Mr. Chairman, we have been listening to the news tonight and I find it interesting that some people in Fort McPherson have rejected the Legislative Assembly and I see here that we are voting for road construction, \$22,700, and \$23,900 for utilidor design. That is very interesting. That is all I have to say.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 2022. Mr. Pudluk.

MR. PUDLUK: Mr. Chairman, while we are still on municipal affairs I would like to ask the administration, Resolute Bay has been asking for a freezer and I just wondered what steps the administration has taken so far.

THE CHAIRMAN (Mr. Stewart): Have you any information on the freezer, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: I am afraid not but I would be pleased to get the information for Mr. Pudluk and supply it to him tomorrow. The only thing I can say is that it is not in the current estimates as far as I know.

MR. PUDLUK: Thank you.

Capital - Activity 2022, Municipal Affairs, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 2022. Is it agreed?

---Agreed

Public Works, Capital - Activity 3033, Operations And Repair Of Equipment

On page 12, capital, activity, 3033, operations and repair of equipment, in the amount of \$21,200, a revote, is it agreed?

---Agreed

Highways, Capital - Activity 3140, Maintenance Operations

On page 13, capital, highways, maintenance operations, activity 3140, \$92,000. Is it agreed? Mr. Pudluk.

MR. PUDLUK: Mr. Chairman, is that for the signs or is that for repairing the highway?

THE CHAIRMAN (Mr. Stewart): Mr. Deputy Commissioner, could you reply to that?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this money is money that is added to the main estimates for this year. It is money that was not spent last year but is required to purchase equipment for the highways system and the highways system consists of the roads around Great Slave Lake and south of the lake and in the Inuvik area. Those are the only ones that are designated as highways.

MR. PUDLUK: Thank you.

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

---Agreed

Social Development, Capital - Activity 4041, Corrections

Page 14, capital, activity 4041, corrections, in the amount of \$109,700. Is it agreed?

---Agreed

Capital - Activity 4043, Child Welfare

Below it, activity 4043, child welfare, in the amount of \$38,000. Is it agreed?

---Agreed

Finance, Capital - Activity 5053, Supply Services

Page 15, capital, supply services, activity 5053 in the amount of \$177,400. Mr. Steen.

MR. STEEN: Mr. Chairman, I am sorry I was not at the finance committee meeting, but I am just curious to have some light shed on the expenditures on that page.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the expenditures are shown in the middle of the page. Admittedly, there is not much detail there. We have a fairly major fuel tank program this year and this amount of money, the \$177,400 really just adds to the total program. I think the locations are listed in the main estimates and I can get those out and run through them if you would like.

MR. STEEN: Mr. Chairman, I do not think that would be necessary, if I understand correctly that this is only additional funds spent on previous allotments.

DEPUTY COMMISSIONER PARKER: Yes, that is correct.

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

---Agreed

Education, Capital - Activity 7071, Schools

Page 16, capital, schools, activity 7071 in the amount of \$728,000. This is a revote and are we agreed to activity 7071?

---Agreed

Public Services, Capital - Activity 8084, Motor Vehicles And Vital Statistics

Page 17, public services, capital, motor vehicles and vital statistics, activity 8084 in the amount of \$35,000. Is it agreed?

---Agreed

Finance, Revolving Funds, Liquor Control System

Page 18, is really for information basically. It is in the amount of \$1,500,000 to increase the funding of the liquor control revolving fund. Is it agreed?

---Agreed

Inasmuch as we have really done it, and I went through this rather awkwardly and I apologize because I started at the wrong end and we had agreed, but I will check it back again. The total figure is \$3,677,700, and is that agreed?

---Agreed

The short title, agreed?

---Agreed

The bill as a whole, agreed?

---Agreed

Shall I report it ready for third reading?

---Agreed

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

Report Of The Committee Of The Whole Of Bill 7-62, Supplementary Appropriation Ordinance No. 1, 1977-78

MR. STEWART: Mr. Speaker, your committee has been studying Bill 7-62 and wishes to report it ready for third reading.

MR. SPEAKER: Thank you. I assume we would like to go into the matter of the report of the Auditor General. Mr. Butters.

MR. BUTTERS: Mr. Speaker, it seems to me that one of the most important problems or bases of business before us is the report of Hon. Arnold McCallum's committee. When will that be discussed? I would like to see that proceed as soon as possible.

MR. SPEAKER: Apparently we have a request to discuss the Auditor General's report which is not very lengthy and simply to accommodate the Auditor General's representative who would like to return to Ottawa. That is the reason we are requested to proceed with that. What are the Members' feelings on that?

---Agreed

The House will resolve into committee of the whole for consideration of Tabled Document 3-62, Report of the Auditor General for the Year Ended March 31, 1976. Mr. Stewart, would you like a break from the chair and have Mr. Fraser in the chair?

MR. FRASER: I can not talk.

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

--- Legislative Assembly resolved into committee of the whole for consideration of Tabled Document 3-62, Report of the Auditor General for the Year Ended March 31, 1976, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER TABLED DOCUMENT 3-62, REPORT OF THE AUDITOR GENERAL FOR THE YEAR ENDED MARCH 31, 1976

THE CHAIRMAN (Mr. Stewart): The committee will come to order to discuss the Auditor General's report. Is it your wish that we call a witness who is with us this evening, Mr. Bogda?

---Agreed

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

HON. DAVE NICKERSON: I wonder, Mr. Chairman, would it also be possible to call a witness from the Department of Finance?

THE CHAIRMAN (Mr. Stewart): Do we have one available? If the witnesses would step forward, please. How does the committee wish to handle this report, hear from our witnesses first or question them? Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: I am not sure, Mr. Chairman, that all Members have found it. It is Tabled Document 3-62.

THE CHAIRMAN (Mr. Stewart): Thank you. Tabled Document 3-62, dated May 9th. Mr. Pilling, would you like to make some opening remarks with regard to this document?

MR. PILLING: Mr. Chairman, it has already been stated to this Assembly that Mr. Bogda is here to present the Auditor General's report for the fiscal year ended March 31st, 1976.

THE CHAIRMAN (Mr. Stewart): Mr. Bogda, would you care to give us your comments, please?

MR. BOGDA: Thank you, Mr. Chairman. You have before you really two reports of the Auditor General and possibly if you look at the statutory report that we have attached you will see that we have basically given a special note of opinion wherein we state that the finances have been fairly expressed with the exception of one item which we think should be brought to your attention and that is Item C. I will just read that section to you:

"The transactions of the territories come under my notice except for certain transactions which give rise to overexpenditures of \$68,597 and appropriations from the Department of Economic Development's revolving stores have been within the powers of the territories under the Northwest Territories Act and any other act applicable to the territory." And the elaboration on that is that you had in prior years set up revolving stores for your grocery store operations in the Department of Economic Development and in the current year you overexpended the amount of the revolving stores by some \$68,000 and it was felt that that was something that should be brought to your attention in our normal report.

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

Approval For Revolving Stores

HON. DAVE NICKERSON: I had a number of questions and comments, some of which were of a general nature but while we are on the subject of revolving stores I notice within the Auditor General's report when talking of net inventory he says that the approval for inventory deletions with regard to the Economic Development revolving store should be treated similarly to other revolving stores in that they would require the approval of the Assistant Commissioner for amounts over \$1000. I wonder if that recommendation has been put into effect?

MR. BOGDA: I will let Mr. Pilling respond to that.

MR. PILLING: Yes, the inventory control procedures that we have applying to all revolving funds include the provision, that any adjustments, and here we are basically speaking of adjustments arising from the annual physical count of inventory stock, will be approved by the Assistant Commissioner. This had not been done at the time of this audit for this particular revolving fund. That approval has since been received as required by the regulations.

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

HON. DAVE NICKERSON: One question of a general nature. It is something between a year and two years ago that a major change, a major reorganization took place within the Department of Finance and prior to that happening you will remember every time you studied the Auditor General's report, the Auditor General found many, many things wrong with our accounts and it seems to me things have improved substantially since that reorganization took place. I wonder if that is indeed true?

Accounts Procedures Have Improved

MR. BOGDA: I think if you refer to our second report wherein we refer to any other matter that we think should be brought to your attention, the first section talks about the preparation of financial statements and financial manuals and things of that nature and the answer to your question is yes. We think they are a long way from perfect but we think the trend is in the right direction and there have been some positive steps taken.

We have found here that the procedures while far from perfect have improved and we are hoping that the good work will continue and things will keep going in that direction. I think last year Hon. David Searle summed up our report and said it was a bad report and that is correct. This year one of the first points we want to make is it is far from perfect but the trend has turned around.

THE CHAIRMAN (Mr. Stewart): Thank you. Discussion?

HON. DAVE NICKERSON: I have lots of questions, Mr. Chairman.

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

HON. DAVE NICKERSON: I wonder if we could be told by Mr. Pilling whether or not he still experiences trouble with the very rapid turnover of financial staff or whether it is now settling down?

MR. PILLING: I am quite happy to report, Hon. Dave Nickerson, there has been a turnaround to the extent that it was commented to me quite recently by some members of our department personnel staffing section that they had not seen me in a long time. We have noticed a substantial improvement both at the officer level and the clerical level. I can not quote you a figure for turnover at this time, but while we do have ...

THE CHAIRMAN (Mr. Stewart): I am sorry, the witnesses are speaking a little too fast for our translators and would you slow down a little bit, please?

MR. PILLING: We presently have about four staffing actions here at headquarters in progress and prior to that it has been five or six months since the last one which is quite a feat and I think we can say that turnaround has slowed down quite considerably.

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

Monitoring Of Financial Statements

HON. DAVE NICKERSON: Under the heading "Preparation of the Financial Statements of the Territories" in the Auditor General's report it says here that senior monitoring of the preparation of financial statements is required, etc. What exactly would be meant by senior monitoring of the preparation of such statements and by whom? Who are you saying should do this job?

MR. BOGDA: I would say ultimately that you are back to the position where the territorial representative ...

THE CHAIRMAN (Mr. Stewart): You will have to slow down, please.

MR. BOGDA: I believe it should be someone like the territorial treasurer. The territorial treasurer signs the financial statements on behalf of the territorial government and I think to ensure that the procedures are followed and that he is satisfied that your financial statements truly represent what is happening, he has to have some involvement. Now, that is difficult to do at the year end if you do not set up proper procedures to take place during the 12 month procedures. It gets too ad hoc at the end of the year so I think it is something for you to talk about in manuals and procedures and these things have to be implemented and have to be working relatively effectively so that on a timely basis you can review the working papers and financial statements.

HON. DAVE NICKERSON: Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you.

HON. DAVE NICKERSON: Under the heading "Territorial Accounts" it talks about reviewing the accounting policies and similarly what is being undertaken now for the public accounts of Canada. I just wondered whether this is a big job you have in mind and would it take a lot of time, effort and money or would it be something that could be done fairly simply?

MR. BOGDA: This is not something that will take a lot of money, it will take time, but what we are suggesting is in effect you have a moratorium on changing any accounting policies, possibly over a one or two year period. But, to stay abreast of what is happening on the federal scene and the provincial scene, all of a sudden the accounting bodies are getting interested in government accounting, the federal government is interested in their reporting system and these studies have indicated that there is not any consistent approach to government accounting, and everyone is doing their own thing. You have made, over the last few years, a number of ad hoc changes which we do not necessarily feel a clear picture to the Assembly, to the reader, because they change. But what we would like to see you do is stay abreast of the studies which are taking place.

THE CHAIRMAN (Mr. Stewart): Could you slow down again please?

MR. BOGDA: What we would like to see is you slow down ...

---Laughter

THE CHAIRMAN (Mr. Stewart): We are trying.

MR. BOGDA: ... in the area of making ad hoc changes and in effect make all your changes at one time so that the reader will then have some knowledge as to what the new policies are.

Agreement With Housing Corporation

HON. DAVE NICKERSON: One final question, Mr. Chairman. One of your recommendations is that there be a formal agreement or formal financial agreement drawn up between the Government of the Northwest Territories and the Northwest Territories Housing Corporation. I wonder if this is in the process of being done or whether it is anticipated that this will be done?

MR. BOGDA: Well, we believe that it is in the process but I think someone from the Executive, perhaps the administration, should answer that question. We feel it is necessary that it be done. There are some areas we feel that require clarification from both the territorial government's point of view and from the Housing Corporation's point of view. It is something we feel should be attended to.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. PILLING: The agreement has to be drafted, it is being reviewed and will be drawn up.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any further questions on Tabled Document 3-62?

HON. ARNOLD McCALLUM: I do not think that there is much left. Hon. Dave Nickerson has covered every particular paragraph.

---Laughter

THE CHAIRMAN (Mr. Stewart): Can I then report that Tabled Document 3-62 has been discussed to the satisfaction of this committee? Is that agreed?

---Agreed

I would like to thank our witnesses Mr. Pilling and Mr. Bogda for their co-operation. Thank you, gentlemen.

MR. BOGDA: Thank you.

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

Report Of The Committee Of The Whole Of Tabled Document 3-62, Report Of The Auditor General For The Year Ended March 31, 1976

MR. STEWART: Mr. Speaker, your committee has been studying Tabled Document 3-62 and has had a discussion and has completed with this paper at this time.

MR. SPEAKER: Hon. Peter Ernerk, the note I have is that you next want to deal with Motion 10-62, Membership of the Northwest Territories Alcohol and Drug Co-ordinating Council, the one that was moved into committee of the whole. Is that correct?

HON. PETER ERNERK: Mr. Speaker, that is correct, but I do not feel we have the witness here yet. In that case I would suggest that we move on to Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing in the Northwest Territories.

MR. SPEAKER: The House will resolve into committee of the whole for consideration of Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE 1-62, POLICY RESPECTING LIQUOR PRICING

THE CHAIRMAN (Mr. Stewart): The committee will come to order to discuss Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing. This is to be found in your little book with the blue binding. Are there any witnesses to be called with regard to this discussion?

HON. PETER ERNERK: Mr. Chairman, I understand that Assistant Commissioner Mullins was going to be here but I do not see him in the audience so I think we could go ahead and discuss it amongst ourselves unless Deputy Commissioner Parker could give us some opening remarks.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Assistant Commissioner Mullins unfortunately had to attend a meeting out of town. However, this is a policy that he and I have studied and I will be pleased to speak to it.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Whitford, are there any comments of a general nature?

MR. WHITFORD: Mr. Chairman, I am totally appalled at this bill. The prices of beer, low alcohol content go up 50 per cent, pop in the Northwest Territories goes up 100 per cent, and that means that the kids in the streets are the ones who are going to suffer because of this kind of thing. Imported liquors, wines, go up 150 per cent and in the Northwest Territories and with Canadian liquor we go up 250 per cent. I am quite surprised and I would like to know how we arrive at all this because like I say I would vote against this bill. I can not see where beer, low alcohol content beer goes up 50 per cent, and like I say, pop goes up 100 per cent. Perhaps the Deputy Commissioner could explain

this a little bit better.

THE CHAIRMAN (Mr. Stewart): I think there is a bit of confusion but Mr. Deputy Commissioner, would you like to unscramble that?

DEPUTY COMMISSIONER PARKER: First of all, the word "pop" is the expression that is used to cover pop wines, Sparkling Bear, Lopey Raven, all those kinds of things. They are a low alcohol sparkling wine made in Canada, and I mean it is, it is Sparkling Bear and those kinds, those are called the pop wines, so they are wines.

MR. PEARSON: Garbage!

Rates Of Mark-up Explained

DEPUTY COMMISSIONER PARKER: The purpose in selling low alcohol beer at a considerably less mark-up is strictly an attempt to lead people to use that kind of beer as a beverage, because clearly it has less alcohol in it and therefore it is less harmful. The acceptance of this low alcohol beer I believe seems to be increasing in the North as it has across the country.

The purpose in putting such a high mark-up on the fortified wines, and those are the cheap sherries and cheap ports, is because we have had specific complaints on the misuse of those beverages. You must also bear in mind that this table of mark-ups was drawn up bearing in mind the actual amount and cost of the alcohol contained in the drink. In order to get the fortified wines to a place where the cost per contained ounce of alcohol was similar to other drinks, we had to mark it up very considerably.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any further questions? Hon. David Searle.

HON. DAVID SEARLE: I just want to be sure about something, Mr. Chairman. When we refer here to the retail mark-up rates I notice in the paper that they say that they were established at levels which would cover wholesale liquor purchases, liquor administration costs such as wages and salaries, produce a profit at the same time and, at the same time make the costs of a fixed amount of alcohol in different products more equal.

Am I to understand then that taking beer then for an example that you take the wholesale cost of a case of beer, you then add to that cost say the freight and then the cost of the system, wages and salaries of people working in the system, plus the profit and then double it? In other words, that retail mark-up rate, and maybe I am not understanding this very clearly -- in other words, what is it 100 per cent of?

THE CHAIRMAN (Mr. Stewart): It says at the top of the page "Retail mark-up rates to be applied to the Hay River landed cost of all wine, beer and spirits". It says "landed cost" and I think those are the key words. That is on Appendix 1, right at the top of the page.

HON. DAVID SEARLE: But I would refer you to the first page, Mr. Chairman, the second paragraph from the bottom of the first page which says: "The retail mark-up rates outlined in Appendix 1 were established at levels which would cover wholesale liquor purchases, liquor system administration costs such as wages and salaries, produce a profit and at the same time make the costs of a fixed amount of alcohol in different products more equal." What does that mean?

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

DEPUTY COMMISSIONER PARKER: I believe that the cost to which 100 per cent mark-up is applied is the cost landed of the product at Hay River and I do not believe, and I will have to check this, but I do not believe that it does include the cost of wages and administration.

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

Calculation Of Costs

HON. DAVID SEARLE: In my naivete I thought that the price of liquor was arrived at as follows. You took the wholesale cost to you, added the freight to that to give you a cost, then your retail price was determined simply by doubling that. That is what I understood it to be, but it looks from this paper that the actual retail cost and the freight are only two ingredients, that salaries, wages, administration costs generally of the system, plus a profit are all added and then it is doubled.

DEPUTY COMMISSIONER PARKER: No.

HON. DAVID SEARLE: Then what does that paragraph mean that I quoted?

DEPUTY COMMISSIONER PARKER: I admit that that paragraph is a little misleading, Mr. Chairman, but it does not say that the mark-up is applied after all of those things have been added together, but it does indicate that when all of those things are added together the cost of a fixed amount of alcohol in any one of the products is roughly the same.

THE CHAIRMAN (Mr. Stewart): Are you through, Hon. David Searle?

HON. DAVID SEARLE: Well, Mr. Chairman, I guess I have difficulty with Appendix 1 because it says, "Retail mark-up rates to be applied to the Hay River landed cost of all wine, beer and spirits" and then you get these percentages. I guess I would understand it more if I saw a list of the actual brands, the cost at Hay River and then retail cost, I would understand that better.

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

DEPUTY COMMISSIONER PARKER: I think that one of the people coming will give me some advice on this, and perhaps we could come back to it, but I am virtually certain what we say in Appendix 1 is true. And you should not be misled by that section, or you should not take from that section that Hon. David Searle read in the main text of the recommendation that the 100 per cent -- it does not say that the mark-up is applied to all of those costs. The mark-up in fact, I believe, is on the landed cost only.

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

MR. PEARSON: Mr. Chairman, I am delighted to see a slight touch of honesty creeping into the administration of this particular department and a comment...

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I request that those remarks be withdrawn, the remarks that said there was a slight touch of honesty coming into this department.

MR. PEARSON: Tut, tut, tut, methinks he doth protest too much.

SOME HON. MEMBER: Withdraw the remark.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, will you withdraw the remark?

MR. PEARSON: No, I will not, not until I explain why, so pooh, pooh, pooh. I have said for years that this government has been subsidizing the price of alcohol in the communities and the government has argued with me time and time again that it does not subsidize the cost of alcohol in the communities and yet here today, written in black and white on page two is an admission that it does indirectly subsidize the cost of alcohol.

THE CHAIRMAN (Mr. Stewart): There is a point of privilege involved here and I will recess for five minutes and find the Rule. The debate is closed.

MR. PEARSON: Chicken.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): After perusing the Rules the Chair rules that the Member is out of order in the statement that he made and would ask him to retract that statement so that we may continue this debate.

MR. PEARSON: Well, for the purpose of expedience and because of my high regard for Deputy Commissioner Parker who is a wonderful chap I will withdraw my comment so that we may proceed in an orderly way with an important issue. It is only because I can not afford the price of a lawyer.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Pearson. Mr. Pearson, you have the floor and would you care to continue?

MR. PEARSON: It is wonderful to see the comment in this document. It is a revelation to see that the government admits that there has been an indirect subsidy on the retail sale of alcohol in some communities. This was a point which I tried to make in a motion which I can not find anywhere that took several hours of discussion and was soundly defeated like most of my motions, but I was right and I am right, that the government is subsidizing alcohol prices and is not subsidizing food or milk.

Motion To Have No Subsidy On Freight Cost Of Alcohol

Now, where do we go from here? Having made the remark, I gather from this report that the government now admits this and is prepared to have this House directed to do otherwise. It says: "Council consider mechanisms for the Liquor Control System to recover the extra transportation costs..." I suggest that they simply be charged to the recipients at the other end and I therefore wish to move that there be no subsidy on the freight costs of alcohol to communities, to any liquor store. No subsidy, that is the motion.

THE CHAIRMAN (Mr. Stewart): I have your motion, Mr. Pearson.

MR. PEARSON: Thank you.

THE CHAIRMAN (Mr. Stewart): I would like to clarify the situation. When you say that there is a subsidy of freight you are probably correct, but subsidy comes within the sale of the liquor system itself and it is not paid out of the general revenues or whatever. The people in Hay River do not subsidize the people in Frobisher Bay when they buy a case of beer. So, that is the point you are making and as long as you fully understand that is what is happening.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I do not believe that the administration has ever hidden the fact that some stores, I believe just generally one or two, have shown a net loss in their operations and therefore the administration has always admitted that in some communities the price of liquor was being subsidized by other communities. I believe the point that the administration made was that in the over-all picture there was no subsidy, that is, when looked at in total the system always made a profit which I will just guess, but averages perhaps 75 per cent profit because it was used as a means of taxation.

The question that is being clearly put before you today is whether or not you agree with this policy of maintaining a single price for the product across the territories. Just while I am speaking, Mr. Chairman, I would like to confirm that the mark-up as shown in Appendix 1 is applied to the Hay River landed cost, that is the wholesale cost of the product plus the freight to Hay River and it does not include the cost of any wages, administration or overhead.

THE CHAIRMAN (Mr. Stewart): Thank you. Now I will restrict the debate to the motion. The motion is there should be no subsidy on freight cost of alcohol to communities. Is that correct, Mr. Pearson?

MR. PEARSON: That is correct.

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

Equalization Factor Not Subsidy

MR. BUTTERS: Mr. Chairman, as you pointed out in your definition of the word "subsidy", Mr. Pearson's motion already applies. There is no subsidy to isolated communities. This as it is written on page two, is not "honesty creeping in." I suggest it has been incorrectly presented. What the situation is is an equalization of costs wherein every resident who buys a case of beer pays the same for that case of beer whether they live in Hay River or Resolute Bay. If your motion goes into effect what we will see is the cost of a case of beer dropping in Hay River and Yellowknife and Fort Smith and climbing markedly in Resolute Bay and Frobisher Bay and Inuvik because the equalization factor which you seem to equate to subsidy will be removed. I certainly can not support the motion.

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

HON. DAVID SEARLE: I just want to make sure that I understand the intent of the motion and in that way through you, Mr. Chairman, I would like to direct a question to Mr. Pearson.

In listening to what Mr. Butters has said it seems to me that the intent of the motion is to make people in each individual settlement pay the cost to get that bottle of liquor there, hence if I may then just take an example, a case of beer therefore in Yellowknife on that basis -- well, Hay River I guess would be where it would be the cheapest, there would be the landed cost in Hay River plus 100 per cent in Hay River so you might have a case of beer in Hay River selling for four dollars. In Yellowknife, because you are another couple of hundred miles down the road we are speaking of presumably five dollars just by way of example. In Inuvik, however, it might be eight dollars and Frobisher Bay probably \$12 depending on whether you got it in on sealift or airlifted it in and if you ran out of beer halfway through the year because of not having brought enough on sealift or because you could not -- it would go bad sitting there, so you could presumably have beer for half the year at say ten dollars a case and then the rest of the year when it was airlifted at \$20 a case. Now, just therefore using that example, is that what Mr. Pearson wants?

MR. PEARSON: Yes.

HON. DAVID SEARLE: That is his intent?

MR. PEARSON: That is correct, Mr. Chairman. Hon. David Searle's figures are a little off, his assumption is off but that is basically it.

Costs For Various Places Should Be Worked Out

HON. DAVID SEARLE: If I could just continue then, Mr. Chairman, it would seem to me it would be entirely in your interest and the people of Hay River and Enterprise, entirely in the interest of Hon. Dave Nickerson and myself from Yellowknife to support that kind of a motion if we look at it on the narrow constituency basis, but representing as we do, once elected, all of the people in the Northwest Territories I am not so sure that would

be a very responsible approach to life, because before you can support a motion like this I would think you would want to work out what the costs would be at these various places instead of trusting to either Mr. Pearson's figures or my guesstimates.

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

MR. PUDLUK: Mr. Chairman, I would like to make a few remarks on this high cost between settlements, but I do not think I can support this motion because from here to Resolute Bay the minimum freight charge is ten dollars. From Resolute Bay by air courier to Grise Fiord is a minimum charge of ten dollars so the freight cost is up to \$20 there. It is just impossible.

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

MR. STEEN: Mr. Chairman, I think what Mr. Pudluk, the Member from the High Arctic was talking about ...

THE CHAIRMAN (Mr. Stewart): Would you speak a little more directly into the microphone, Mr. Steen?

MR. STEEN: Just what Mr. Pudluk was talking about was the secondary travel of the liquor. I think the motion that Mr. Bryan Pearson is talking about is the price of the liquor from the distillery to the liquor store and then you have got one price which is included in the liquor, but over and above, after it passes the liquor store and goes into the communities at a fantastic high cost, he was saying ten dollars in his constituency or \$20 after it went through two airlines but ours is \$14 going through only one airline for the minimum cost. So, I really can see where the high cost or price would probably help the native people farther north but it may destroy the native people in the southern part of the territories where it makes it that much easier for them to purchase liquor. However, I think I will take Hon. David Searle's suggestion that we should investigate the difference before we can support the motion.

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

HON. ARNOLD McCALLUM: Mr. Chairman, in terms of my constituency, I would of course be in the same boat, the very pleasurable boat of getting liquor at a much reduced price. I think to add the cost of freight to the price of any kind of liquor would tend to then make liquor in various parts of the Northwest Territories available to an elite; those people who have the money.

Responsibility To People Of The North

I do not support the motion because I do not think it is a responsible one in terms of the total people in the North, and though I have the interest of my constituency first and foremost, I believe we have a responsibility to all residents of the North, a responsibility not only in terms of making sure that things are in reach, and if one does have a hang-up in terms of liquor, I think that that should not be prevailed upon or put upon the other Members. I think that indeed we have a responsibility in terms of the kind of spirits, the kind of liquor, the availability of any kind of liquor, be it low alcoholic beverages, or even higher content beverages. I think that to impose an additional cost to people in terms of them being able to buy any kind of alcoholic product at all will not serve the purpose which Mr. Pearson is attempting to arrive at, and that is to ensure that alcohol is not made readily available to a great number of people, for their economic health and welfare. I think that the giving of a community, giving a community the right to determine whether they want to have liquor in their community, that to me is the way in terms of curtailing it. I do not believe that raising the price of liquor in communities where the price will be exorbitant will serve any purpose. So, I would not be in favour of the motion.

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

HON. DAVE NICKERSON: This is an old, old question that seems to come up with quite a deal of regularity and it is in the same category as the polar bear motion. I do not think we have seen that for a few months but we will probably get around to it by Thursday or Friday.

Government Should Not Be In Liquor Business

Now, what I see as being wrong in the whole system is that the government is engaged in the wholesale wine and spirits business which it should not be. I think what Mr. Pearson should be doing is pressing vigorously for the government to get out of this business which, in my opinion, it has no business being in and then, if it was under private enterprise, if the wholesale liquor business was under private enterprise he would get what he wants, because obviously somebody operating in Resolute Bay would have to incur much greater costs and therefore, have a much greater retail price. So, that would be the solution. To my way of thinking, it would make much more sense in the Northwest Territories if the government instead of being in the liquor business was in, for instance, the milk business and then, as Mr. Pearson suggests, we could standardize the price of milk across the territories. However, as it stands at present, the government is in this business which it should not be in and, I am afraid that I would have to vote against Mr. Pearson's motion, but I would support him in any attempt to wrest the liquor business away from the government.

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

MR. EVALUARJUK: Mr. Chairman, I would like to say a number of things. I am not too sure as to what the government are doing, whether they are subsidizing alcohol to keep the costs of the alcohol down. I do not have a clue if that is the way it is, I have no clue about it, but however, we have talked about this, or did last year, and I remember this quite well. Mr. Bryan Pearson made the motion last year and those people in the Eastern Arctic, or the people that I represent were very much in favour of what the CBC was saying about it. One part they did not like was we did not support his motion, and that is the question my constituents asked me. However, if that is the way it is going to be I think the government are subsidizing liquor, or alcoholic beverages and if they do not subsidize food, I think it has no meaning whatsoever if that is the way it is.

Of course, it is quite difficult to order food from the southern part of Canada, and we do order food from Montreal but the cost is very high and I am wondering now, I would like to know whether the government is subsidizing alcohol and if they are not subsidizing the food, but if that is the way it is, I will not be in agreement with it and I will fully support Mr. Pearson's motion if Mr. Pearson's motion is right. So, I would like some more information on that. That is all I have to say.

Use Of The Word "Subsidy" Questioned

THE CHAIRMAN (Mr. Stewart): Thank you. The Chair would like to try and clarify something. The wording of this motion and the use of the word "subsidy" is doubtful in my opinion, that it is the correct word. What is happening is that they are equalizing the freight costs across the Northwest Territories. The liquor system still makes by way of sale, a great deal of money, in fact probably the largest percentage of the taxes that we collect are made from the liquor system. So, we are making money selling liquor, we are not subsidizing it. When you subsidize something you lose money and the government is not losing money on the sale of liquor. In some stores this may be true because of the high freight but the other stores in the heavier populated areas such as Yellowknife and Hay River are picking up that loss and still the over-all system is making money. So, the word subsidy is questionable here. The Chair would suggest that really what the motion is that the equalization of freight rates be discontinued and that really is what the motion means. Mr. Pearson.

MR. PEARSON: May I speak without cutting off debate?

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

MR. PEARSON: Just as a matter of clarification. Exactly the same comments were made last time, the last time the motion was discussed, and the Chair also made the same recommendation at that time that the word "equalization" be used instead of "subsidization". The reason I have reintroduced the word "subsidization" is because it is some advice the government has provided me with on page two. The government said "places the liquor control system in the undesirable position of indirectly subsidizing the retail sales of alcohol in some communities" and that is the God's honest truth and that is why I used the word "subsidy" because it appears there. Now, if my colleagues would like to use the word "equalize" it matters not. The deed is the important thing and not the word.

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

MR. PEARSON: End of comment.

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

Support For Subsidizing Costs Of Foodstuffs.

MR. BUTTERS: Mr. Chairman, just to recognize that in this debate, as in the debate of one year ago, the matter of subsidizing foodstuffs was examined or looked at in part. It would appear to me that I think we recognize the cost of food in the isolated communities is very high and I suggest that there might be some merit in attempting to develop a method by which food items which have to be imported into communities can be subsidized, but I think we should separate that from the question of liquor. As you point out there is no question here of the government subsidizing liquor, it is a matter of equalization between the southern Northwest Territories communities and the more distant Northwest Territories communities. However, I think there is some merit, as Mr. Evaluarjuk says, in establishing or looking at this matter of subsidizing the transportation of food items...

MR. PEARSON: Hear, hear!

MR. BUTTERS: ...into isolated communities and we might do it by developing food stamps, to issue food stamps which could be provided to all residents of an isolated community and these stamps could be traded, cashed in with money at the local store. Now, that might be a way of assisting the people in the isolated communities, to reduce the very high costs which they have to bear for the transportation of important foodstuffs to their diet into their communities.

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

MR. KILABUK: Mr. Chairman, what I have heard so far from the discussion, I am beginning to think that the government, this is the only government which has been helping in this way ever since it came into existence. Is it true that they are subsidizing liquor, because I think it is a wrong program to do that because I think other things should be subsidized, the usual things that are used by quite a large number of people, I think they should be subsidized because liquor is not used by all the people of the Northwest Territories.

I think if you really want to help the people we should go back to what Mr. Evaluarjuk was saying that a lot of food orders come into the communities and I think that food should be subsidized and I am in full agreement with this because if I am right in thinking this way, I think I can say that my constituents were very much in favour of what they hear over the radio, but they expressed disappointment to me when I did not support that particular motion last year. At that time I did not understand what the motion was about or I might have supported it. Now, I understand the motion and am very much in support of it and I think my constituents are more aware of what is being said because when I did not support the motion last year they were asking me why I did not support it. Now that I understand what is happening I think that the government should not subsidize the alcoholic beverages, and if they are, I think the government is doing the wrong thing in subsidizing. If that is not true, then I would support this. Thank you very much.

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

HON. DAVID SEARLE: The most incredible thing is happening in this debate. First of all, of course, we are discussing whether or not we should subsidize food which is hardly the subject matter of this paper. My objection to the motion was thinking of the people living in the remote areas. We have just heard from Mr. Pearson who proposed the motion, Mr. Evaluarjuk and Mr. Kilabuk who represent people in the remote areas who would be affected by this. They would have to pay many times the present price for liquor. If they do not want the protection and the equalization of price which the people, particularly in the Hay River and Yellowknife areas are paying, if they want that on their heads far be it I suppose for those of us who would definitely benefit to resist. I mean if that is the view of the Members representing the isolated settlements then I am prepared to support the motion.

MR. PEARSON: Hear, hear!

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

Reasons For Government Operation Of Liquor System

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I listened with great interest to Mr. Kilabuk and to Mr. Evaluarjuk and I am afraid that there is an element of misunderstanding here and I think I will have to try and explain it and in so doing I am not trying to take sides in this question.

The government operates the liquor system for two reasons -- well, I guess three reasons: the two main reasons that it operates the liquor system are these. One, to permit the government to control the sale of alcoholic beverages, because alcoholic beverages are considered to cause problems and we know that they are problems and at times they can be very nice but they can be problems. So there is the element of control. The second reason is that since it is in the business of controlling liquor it uses it as a means of raising revenue, in fact raising taxes.

Now, this is done, I think, the world over. The idea of raising taxes on liquor was not invented by the territorial government, but I think most governments apply a heavy tax to liquor and some apply a heavier tax than others.

Now, in the Northwest Territories in 1976 the total sales, all of the sales of liquor in the Northwest Territories from our liquor stores -- now that is just the liquor stores -- amounted to \$10.9 million. \$10.9 million! The net income, that is if you subtract all of the costs, that is the costs of the liquor itself, the cost of all the freight, that is the freight to Hay River, freight to Yellowknife, the freight to Inuvik, the freight to Frobisher Bay, wherever we have a store, if you take away all of that cost of freight plus the cost of all of the liquor system employees and the cost of heating the liquor stores and everything else then the net profit from those \$10.9 million sales still amounted to \$4,478,000.

Now, by my figuring that would be about maybe 42 per cent. So, we are not dealing with something that we are just adding a little mark-up to. We are dealing with something which the government is using as a means to collect revenue, to collect taxes. The government, by supplying some stores by air, loses money on these stores but as you can see the total operations of liquor provide a net profit of about four and a half million dollars.

Money Not Taken From Other Sources Of Revenue

So, I would not want the Members to believe that the government is taking money from any of its other sources of revenue. It is not taking money from the grants it gets from Ottawa. It is not taking money from the fuel taxes or any other sources in order to run the liquor system. I just want to make sure that you do not believe that that is happening. The liquor system, after you pay for all of the losses and operating costs, makes a net amount of about four and a half million dollars a year. Thank you, Mr. Chairman.

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

MR. PEARSON: Well, I guess -- do I finish debate? Is that the idea?

THE CHAIRMAN (Mr. Stewart): Yes.

MR. PEARSON: All of the comments are very well made. I think in some cases they are somewhat exaggerated. A lot of this question has to do with the moral aspect of it as opposed to the actual dollars and cents. There is a very strong, strong feeling in the Eastern Arctic particularly and the Central Arctic that the government is in the business of subsidizing alcohol into the stores that it has in the remote areas. The liquor store in Frobisher Bay no longer provides liquor to that community and any liquor that is sold out of the Frobisher Bay supply house or whatever you want to call it, goes air freight at phenomenal cost and as Mr. Pudluk points out at a ten dollar minimum.

Price Should Be In Right Perspective

Now, that would apply if you bought one bottle of liquor, it would cost you ten dollars in freight and if you bought 20 it would cost you about 50 cents each or even less. I can not figure that out quickly, but that is not an important factor. There is no liquor store in Resolute Bay or anywhere in the High Arctic. It comes from Frobisher Bay and the cost of freight for Grise Fiord from Frobisher must be in the vicinity of one dollar and 50 cents a pound and the increasing costs at the liquor store if the so-called subsidy or if the price was equal would not amount to a very high proportion, contrary to what the Honourable Speaker commented on.

It would put the thing in the right perspective to the people, it is a moral question and the matter of subsidies of food is something which is done in Greenland. It is not done here. We do not do it and that is another question and I think it is one we should get into. I have suggested over the years that some of the phenomenal profit that comes from the liquor sales and you figure it out as four and a half million dollars a year at the moment and it is increasing at an alarming rate, that is a phenomenal amount of money and some of that profit, as I said, could be directed into that direction.

The question here now is whether we are in the business of subsidizing -- and call it what you will -- we are equalizing or subsidizing the cost. I sell milk in my store, four litres of milk, that is about three quarts, just a little over three quarts for six dollars and 98 cents.

SOME HON. MEMBER: Greed!

MR. PEARSON: That is not subsidized, that is the actual cost and I am not suggesting that everybody start drinking milk. Eggs, I sell those at one dollar and 89 cents a dozen, grade A large, and they are not subsidized and people pay the full price for that, but the price of booze does have an equalization or a subsidization price to it and it is a moral question.

I propose the motion again because I know it is an important one and one which I support and perhaps the government can examine it and come back to us or whatever, I do not know if they ever looked at it very closely. Obviously they are concerned or, otherwise, it would not appear here and it gives me hope and convinces me that they are concerned.

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

MR. PUDLUK: Mr. Chairman, once more I would like to say something. Mr. Pearson should realize that the liquor has been brought into the Northwest Territories because more people have been drinking the liquor. Now they can not stop. If they can not afford it, in a few years do you know what they are going to do? They will start drinking home brew. They should stop the subsidy before they bring that up to the North. That is all I have to say.

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

Food Does Not Come Into Issue

MR. BUTTERS: Briefly, Mr. Chairman, and that is to say that Members who support this motion of the Honourable Member from Frobisher Bay will not see any of the money saved being used to subsidize food. The food factor does not come into this at all. What will happen here is that the isolated communities, residents of the isolated communities will have to pay a much higher price for their case of beer, bottle of vodka or whatever it is and the residents of Yellowknife, Hay River and Fort Smith will pay less. Food does not come into it at all. The reason I talked about food was that in the last debate the issue of food got all mixed up and this is why the Members from the Central and Eastern Arctic I think found their constituents asking them questions, because the story that was communicated on the CBC did not put it in its proper perspective. Food did not come into the issue at all.

Now, what I was saying about food, and I think this is an important suggestion, but it should be taken up in its own context and studied at another time to see whether we can arrange for the very basic foodstuffs to be subsidized. However, it certainly has no part in this motion. Any saving on liquor will not be used to reduce the cost of food.

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

MR. PEARSON: I am sorry to have to come back to this but I would like to clarify one thing for the benefit of Mr. Pudluk. The majority of liquor that is shipped to Resolute Bay, Pond Inlet, Arctic Bay and Grise Fiord comes from Yellowknife and there would be possibly a decrease in the costs at the Yellowknife liquor store, not an increase. So, his argument really does not hold that much water in that regard. Thank you.

The Case For Overproof Liquor

THE CHAIRMAN (Mr. Stewart): I wonder, Mr. Pearson, if I could make just one observation? I know the chairman has no right to enter into debate and I do not really mean to debate this thing, I am quite prepared to support the motion if I had a vote because of what it would mean to my constituency. However, with your permission I would just like to point out one thing. In the earlier days of the Northwest Territories, and I am now speaking of the Northwest Territories when the freight on liquor was a very important factor, the main alcohol beverages that were drunk at that time were all in the overproof types because it cost the same to bring in a bottle of overproof rum as it did a bottle of wine. So, the indication was to get into the much harder line of liquors. Now, I do not know whether this would happen in your areas or not if the subsidization goes off but it is just a point. I know it did happen in the earlier days and you hardly ever saw anything but overproof liquor in the areas because the freight was so high and that is what the people brought in. I know we have been on this for a long time but it is a very important question. Mr. Steen.

MR. STEEN: Mr. Chairman, I believe I am prepared, after listening to the debate to support the motion provided Mr. Kilabuk and Mr. Evaluarjuk really understand that their constituencies, they are going to have to pay more than Yellowknife for their liquor because they will not make the price the same anymore. The farther away you live the more you pay. I am prepared to support the motion because in my area it will not make that much difference.

THE CHAIRMAN (Mr. Stewart): Are there any other speakers? Hon. Peter Ernerk.

HON. PETER ERNERK: I was not particularly going to speak to the motion but I was in the process of making another motion.

THE CHAIRMAN (Mr. Stewart): You will have to speak to this one or amend it and can you speak up so we can hear you?

HON. PETER ERNERK: I was not going to speak to the amendment either but I was simply going to make another suggestion but I suppose we will have to pass the motion first or whatever.

THE CHAIRMAN (Mr. Stewart): Are you ready for the question? The question being called. The motion is: "There should be no subsidy on the freight costs of alcohol to communities."

All those in favour of the motion? Six. Opposed? Six.

MR. PEARSON: We already have your vote, Mr. Chairman, you gave it earlier. Thank you very much.

Motion Carried

THE CHAIRMAN (Mr. Stewart): It certainly hurts to vote in favour of something you do not agree with but I will vote for the motion. The motion is carried.

---Carried

MR. PEARSON: Thank you, Mr. Chairman.

DEPUTY COMMISSIONER PARKER: Now that the vote is taken I would like to supply one other piece of information and that is that the liquor system in 1976 had a net profit of \$4,478,000. For the year just ended the liquor system had a profit of \$4,428,000. So, contrary to a remark that was made this evening that liquor profits were soaring I am pleased to report that consumption is down and so are the profits.

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

MR. PEARSON: My only answer to that is that you should not buy such expensive warehouses.

HON. DAVE NICKERSON: In view of the previous motion which was carried, it will of course now be necessary for the administration to rework their recommendation taking into account the Legislature's wishes. So, with the approval of the committee, Mr. Chairman, the administration would like to withdraw this recommendation.

THE CHAIRMAN (Mr. Stewart): It would like to do which? I did not catch your last sentence.

HON. DAVE NICKERSON: With permission of the committee the administration would like to withdraw this recommendation for the time being because we will have to rework it in keeping with the wishes of this committee to increase prices in Inuvik and Frobisher Bay and other places.

MR. PEARSON: Like Rankin Inlet.

SOME HON. MEMBERS: Agreed.

Recommendation To The Legislature 1-62, Withdrawn

THE CHAIRMAN (Mr. Stewart): It has been suggested by the administration that it withdraw this at this time. Is the committee agreed?

---Agreed

Mr. Butters.

MR. BUTTERS: Will the paper be returned for discussion prior to the end of this session?

HON. DAVE NICKERSON: That depends on when the session ends and how fast we can work on it. I would imagine it would take at least a couple of days to get all the facts available, the various freight rates, etc., and work on them and find how much we can decrease the price of Yellowknife and increase it in Inuvik, that type of thing. Obviously it will take a little while to do that.

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

MR. BUTTERS: The reason I ask is with regard to Recommendation 2, that no changes be made in these mark-up rates without the approval of the House. So, as it has to be approved by the House or the Assembly, I am assuming it will have to come back if not at this session then the fall session.

HON. DAVE NICKERSON: I should make it quite clear, Mr. Chairman, that we do not intend to substantially change the liquor prices until a policy in that respect has been adopted by the Legislature.

No Replacement For Source Of Revenue

DEPUTY COMMISSIONER PARKER: I am sorry, I will have to speak on behalf of the administration. We agree with the withdrawal of the paper but we can make no further remarks as to what the next paper will look like. I regret that Recommendation 3 was not considered because it was clear, as I outlined, that the liquor system is the source of revenue which is used to carry out territorial programs, the programs that are voted by this House. If we continue to suffer an increase in the costs of the product we will suffer a loss in revenue and the programs of the territorial government must therefore suffer. We do not have a replacement for this

revenue and none has been recommended to us. Therefore I would not want any of you to get your hopes up that there is going to be any reduction in the price of liquor but rather I wish that attention had been turned to Recommendation 3 which would permit the administration to respond to normal increases which are coming along rather rapidly from the wholesalers.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Butters I believe had his hand up first. Mr. Butters.

MR. BUTTERS: Mr. Chairman, if my recollection serves me correctly I thought we had given the administration permission to increase liquor prices in accordance with the price passed on to them from the wholesaler, from the distributor. I thought we had done that at a past session.

HON. DAVID SEARLE: Not 150 per cent.

MR. BUTTERS: I thought the Deputy Commissioner was talking about the increased cost that is being handed on to them from the distributor and that would just be added into the cost to the consumer. I thought we had agreed to that.

DEPUTY COMMISSIONER PARKER: If that is the case that is fine and I stand to be corrected, but I do not believe we had that feeling. I believe we had the feeling that we were from time to time being taken to task for raising liquor prices without coming to this House and that is why we are seeking the guidance of the House at this time.

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

HON. DAVE NICKERSON: Mr. Chairman, concerning the last remarks of the Deputy Commissioner, probably I was in error when I said that the possibility of prices being reduced in Yellowknife, what I obviously meant was the fact that they would not be raised in the same proportion that the prices in Inuvik would. So there might be a ten per cent increase in Yellowknife and a 20 per cent increase in Inuvik, something like that. That is obviously the wish of this committee. I apologize. However, I think that some of the remarks made by the Deputy Commissioner anticipated what the decision of the Executive Committee on this matter might be. Now, according to a strict interpretation of the Northwest Territories Act they do not have to take any notice of what the Executive Committee says at all, but I think in a case like this it is completely out of propriety for the federal government representatives at this table to anticipate what the decision, or what the recommendation might be.

HON. DAVID SEARLE: May I suggest you recognize the clock?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Stewart): 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 1-62, Policy Respecting Liquor Pricing _____

MR. STEWART: Mr. Speaker, your committee has been studying Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing. After a lengthy debate and the passing of the following motion, there should be no subsidy on the freight costs of alcohol to communities, the administration by way of the Hon. Dave Nickerson removed the paper.

MR. SPEAKER: Are there any announcements? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I wonder if I could have the unanimous consent of this committee to return to Item 4 on the agenda?

MR. SPEAKER: Item 4?

HON. PETER ERNERK: Item 4.

MR. SPEAKER: Unanimous consent requested. Oral questions. Unanimous consent is requested to return to Item 4. Is it agreed?

---Agreed

REVERT TO ITEM NO. 4: ORAL QUESTIONS

HON. PETER ERNERK: Thank you, Mr. Speaker. I would like to ask the Honourable Member from Frobisher Bay, Mr. Bryan Pearson, just about a week ago or so there was a news report over the CBC that stated that the village council of Frobisher Bay has decided to cancel the licence ...

MR. SPEAKER: Excuse me. I do not think that Item 4 can be used by one Member to ask other Members questions. As I understand the question provision it is for Members to ask questions of the administration. Now, if you want a firm ruling on that I would have to check the authorities. Rule 39(1): "Questions may be directed to the Commissioner, the Deputy Commissioner or a Member appointed to the Executive Committee seeking information relating to any bill, motion or any other public matter concerned with the business of the Assembly but, in putting a question or replying to it, no argument or opinion shall be offered,..." and that is one often observed in breach, "...nor any facts stated, except so far as may be necessary to explain; and in answering a question the matter to which it refers shall not be debated."

Then, Rule 40 deals with oral questions, and this is the one you are under: "Upon the order of business 'Oral Questions' being called oral questions of an urgent nature relating to public affairs may be put without notice to the Commissioner, Deputy Commissioner or a Member appointed to the Executive Committee, as the case may be."

So you may put a question as I read the Rules, to the Commissioner, Deputy Commissioner or some other Executive Member, or I suppose to yourself, but as I read the Rules you can not ask Mr. Pearson questions.

HON. PETER ERNERK: Thank you.

MR. SPEAKER: Mr. Butters.

Question 031-62: Hon. Warren Allmand's Whereabouts

MR. BUTTERS: Mr. Speaker, I have an urgent oral question. As I expect that we will be discussing the northern priorities tomorrow, I wonder if the Deputy Commissioner might confirm that the Hon. Warren Allmand is away on a two and a half week trip in Scandinavia?

Return To Question 031-62: Hon. Warren Allmand's Whereabouts

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I hesitate to rise. I seem to be getting myself into a lot of difficulties tonight. I have not the faintest idea where the Honourable Minister is.

MR. SPEAKER: Gentlemen, I would hope we would not carry this on too much longer. It is a quarter to ten. Are there any announcements?

Orders of the day, Mr. Clerk.

ITEM NO. 14: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Remnant): Orders of the Day, 2:00 o'clock p.m., May 18, 1977, 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. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature, Information Items and Other Matters: Bill 4-62, Report of the Mackenzie Valley Pipeline Inquiry, Matters Relating to Panarctic Oils Ltd., Tabled Document 7-62, Matters Relating to CNT Operations in the Mackenzie District, Report of the Special Committee on Constitutional Development
12. Third Reading of Bills
13. Assent to Bills
14. Time and Place of Next Session
15. Prorogation

MR. SPEAKER: This House stands adjourned until 2:00 o'clock p.m., May 18, 1977, at the Explorer Hotel.

---ADJOURNMENT

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