

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES DEBATES

63rd Session

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Official Report

MONDAY, OCTOBER 24, 1977

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, OCTOBER 24, 1977

MEMBERS PRESENT

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, questions and returns. Gentlemen, before we get into the orders of the day, Deputy Commissioner Parker has indicated to me that the Minister of Indian and Northern Affairs arrived here late last evening and is prepared to have lunch with Members. He has made apparently one request, however, and that is, he requested having lunch at 12:00 o'clock p.m., rather than our normal 1:00 o'clock p.m., in that he has other commitments made elsewhere later in the day. Strictly speaking, we either have to have unanimous consent or a motion to change the hours of sitting, as we know, from last Friday's debate. Is there any objection to the Chair, whoever it be, whether it be the chairman or the Speaker, recognizing the clock at 12:00 o'clock noon?

---Agreed

ITEM NO. 2: QUESTIONS AND RETURNS

Item 2, questions and returns.

Are there any returns, Deputy Commissioner Parker?

Return To Question W15-63: Addition To School, Clyde River

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker. Question W15-63 was asked by Mr. Kilabuk. On October 19th Mr. Kilabuk asked if there were plans for an addition to the Clyde River school.

The Department of Education is currently planning a major addition to the Clyde River school. Design work for this addition is scheduled for the fiscal year 1980-81. It is proposed that the school addition will include the following:

- Sufficient classrooms to bring the students in from the portables. The number of classrooms is to be determined by the actual student enrolment and projections at the time the actual planning process starts.
- 2. A technology centre.
- 3. A resource centre.
- 4. A gymnasium.

Until the school addition has been completed, it will be necessary for the community to continue using portable classrooms.

Return To Question W16-63: Larger Boat, Clyde River

On October 19th Mr. Kilabuk inquired as to whether the hunters' and trappers' association in Clyde River could obtain a peterhead boat.

The territorial government has no funds at present to purchase a peterhead boat for the hunters' and trappers' association in Clyde River. Tentative plans have been made to move the fish and wildlife boat from Broughton Island to Clyde River this past summer so that it could be used by the hunters' and trappers' association, but unusual ice conditions prevented this from happening. Present plans are to establish a fish and wildlife officer position at Clyde River in April 1978, and further attempts will be made in the coming summer to move the fish and wildlife boat from Broughton Island to Clyde River. The boat will be operated by the fish and wildlife service for the benefit of the hunters' and trappers' association.

Return To Question W21-63: Rate Of Unemployment In The N.W.T.

On October 20th Mr. Butters requested that the administration provide statistics on the current rate of unemployment in the Northwest Territories in a manner which would facilitate comparison with the rates of unemployment in other provincial and territorial jurisdictions.

Statistics Canada does not make a separate labour force survey in the Northwest Territories and therefore no official figures comparable to other jurisdictions are available. The reason given by Statistics Canada for this treatment is that the population size of the Northwest Territories is so small in relation to the national population that to produce figures on a basis comparable to provincial figures would require an extremely costly survey in the Northwest Territories.

In 1975, the Department of Indian and Northern Affairs proposed to extend the labour force survey -- from which unemployment statistics are taken -- into the territories. It was calculated that in order to produce statistics comparable to southern statistics, ten per cent of the population would have to be surveyed each month, and that the response rate to the questions asked would have to be 90 per cent or better. The annual cost estimated at \$250,000. In view of the high cost and sample size, the administration rejected the proposal.

At present, we are relying on occasional surveys taken from time to time by employment officers of individuals in communities known to be actively seeking work. If Members put a priority on this area, the administration can take steps to develop an approach to surveying unemployment that while not corresponding exactly to southern data, could be made regular and consistent.

Return To Question W22-63: Hydro Plan, Snare Rapids

On October 20th Mr. Whitford asked whether the administration was aware of any commitments made to the people of Rae for cheaper power rates with the completion of the Snare River hydro electric plant.

On questioning senior officials of the Northern Canada Power Commission no commitments of this nature appear to have been made on the part of the commission. At the time of construction of the hydro electric station reference may have been made, through the press, that the Snare system would result in rates cheaper than those required if the power were supplied by diesel units. On a comparison basis this in fact is the case. Presently in Frobisher Bay, for example, the first 300 kilowatt hours of power costs the same as in Rae-Edzo but any consumption above 300 kilowatt hours costs 246 per cent more than in Rae-Edzo.

Return To Question W26-63: Gravel Truck, Repulse Bay

On October 20th Mr. Evaluarjuk asked whether the administration had any plans to provide a new gravel truck to the community of Repulse Bay.

I am pleased to advise Mr. Evaluarjuk that a new gravel truck is included in the 1978-79 main estimates and the truck should arrive in the settlement on next years sealift.

Return To Question W28-63: Polar Bear Quota, Spence Bay

The data collected since 1971 in M'Clintock Channel, Victoria Strait, Larsen Sound, Franklin Strait and the Gulf of Boothia, are presently being reviewed and interpreted. We expect a report of this research to be completed by mid-winter. Recommendations pertaining to the quotas of Cambridge Bay, Gjoa Haven and Spence Bay and to future polar bear research needed in this area, if any, will be made at that time. The results of study and recommendations will be thoroughly discussed with the hunters' and trappers' associations before any quota changes are made.

Return To Question W32-63: Polar Bear Quota

Question W32-63. This was asked by Mr. Evaluarjuk. Polar bear quota, Hall Beach.

The fish and wildlife service with the help of the Canadian Wildlife Service has been working as rapidly as possible on polar bear studies in the Western Arctic, Central Arctic and south Baffin areas. Some work has been started in Foxe Basin which will eventually provide information for quota adjustments for the Hall Beach and Igloolik hunting areas. To date this has only been the collection of kill information from the hunters and preliminary surveys of the denning areas. Full scale work may start during the spring of 1978.

In some cases we have been able to increase community polar bear quotas before the studies are completed. This has been possible where the hunters' and trappers' association has agreed to delay hunting until the pregnant females have denned or they have agreed to take the extra bear in new areas that have not been hunted before and are known to have high bear populations. Although we can not recommend a quota increase for Hall Beach at this time, we will have the fish and wildlife staff discuss this with the hunters' and trappers' associations to determine whether or not quota changes would be feasible if female bear are given more protection or new hunting areas are found.

MR. SPEAKER: Are there other returns? Hon. Dave Nickerson.

Return To Question W35-63: Frobisher Bay Liquor Ban

HON. DAVE NICKERSON: A return to Question W35-63. On October 20th Mr. Lyall asked whether the administration had any information on how many alcohol related deaths had occurred in Frobisher Bay since the closing of the Frobisher Bay liquor store.

It is very difficult to state with absolute certainty the number of alcohol related fatalities which have occurred in Frobisher Bay since the closing of the liquor store. Our best information would indicate that one or perhaps two deaths directly attributable to alcohol have taken place. There is general agreement, however, that the over-all quality of life in Frobisher Bay has measurably improved since the closing of the store.

MR. PEARSON: Hear, hear!

MR. SPEAKER: Hon. Peter Ernerk.

Return To Question W23-63: Economic Situation In Mackenzie Valley

HON. PETER ERNERK: Mr. Speaker, I have three replies here. To Question W23-63, on October 20th Mr. Steen asked what plans the Department of Economic Development and Tourism has to improve the economic situation in the Mackenzie Valley in light of the fact that the proposed Mackenzie Valley pipeline will not be built.

The territorial government is fully aware of the need for alternate development in the Mackenzie Valley to offset the negative effects of the "no pipeline" decision. Mr. Steen will appreciate that the prime need now in the economic sphere is the development of a rational economic development policy which will provide for a viable and lasting economic base in not only the Mackenzie Valley but other areas of the Northwest Territories as well. To this end action has been initiated on several levels. During meetings last week in Ottawa, the Commissioner, Deputy Commissioner and Assistant Commissioner, meeting with the Deputy Minister of Indian and Northern Affairs, Mr. Arthur Kroeger and Assistant Deputy Minister, Mr. Ewan Cotterill, laid the ground work for a senior intergovernmental committee which would jointly identify the economic needs of the Mackenzie Valley and make recommendations to the federal cabinet on action required to stimulate economic growth. At the territorial level, Mr. Ivor Stewart, Director of Economic Development and Tourism has been appointed chairman of an interdepartmental committee to review present territorial programs in this region, and to identify for the Executive action which can be taken at present by the territorial government to improve the economic situation in the Mackenzie Valley.

Members will appreciate that the gravity of this issue is such that government will want to move carefully and deliberately to ensure that any action taken is meaningful and appropriate, and does not further aggravate the situation.

Further Return To Question W30-63: Dock At Prelude Lake

On October 20th Mr. Whitford asked what plans the administration had to improve docking facilities at Prelude Lake and also whether camping sites could be developed closer to the beach.

Due to the low water levels in Prelude Lake during the 1977 season, both the boat launching and boat docking facilities became inoperable, particularly for large boats. This situation resulted in many complaints from facility users and from the private lodge operation whose facilities are being used without compensation.

The territorial Department of Public Works initiated a combination program of dredging and filling as a permanent solution to the problem. This operation also provided fill to develop an adjacent parking place for boats and boat trailers. Further work may be required in 1978 to extend and/or improve the dock and causeway, depending on water levels. The project was jointly funded by the federal government and the Government of the Northwest Territories.

With regard to mobile home owners parking closer to the beach, this is not possible as the nature and slope of the land at Prelude Lake is not suitable to permit camp sites close to the lake.

Return To Question W24-63: Tourist Camping Permits

Also on October 20th, Mr. Whitford asked for an explanation of the tourist camp permit regulations.

The camping restriction of 14 days tends to discourage those who would use the campgrounds as a semipermanent residence. The result of the restriction is to keep campground facilities for tourists, the group for which the facilities are intended. There have been complaints from facility operators in the private sector who rent parking facilities for trailers and who resent public, low cost competition. Semipermanent residents place restraint upon services such as wood supply and garbage collection. This charge is made so as not to encourage residents. The ordinance is flexible and can be extended by appeal to the park officer. An extension will usually be granted in the case of a bona fide tourist who wishes to extend his visit or as in a recent case where a camper was using his trailer for two to three extra weeks until a permanent home became available.

MR. SPEAKER: Are there further returns? Do you have a return, Mr. Pearson?

MR. PEARSON: On a point of order, Mr. Speaker. I would just like to clear up some details that Hon. Dave Nickerson mentioned, that there has been one death in Frobisher since the liquor store closed, due to methyl hydrate poisoning. One.

MR. SPEAKER: Further returns? Questions: Mr. Whitford.

Question 046-63: Tourists Camping In N.W.T.

MR. WHITFORD: Mr. Speaker, on a point of order, I was asking the administration or the Minister responsible for Economic Development and Tourism what his department was going to do. Last summer, if I may explain in closer detail, last summer in Yellowknife one of his staff members went out and issued a ticket to one of the people who wanted to camp in a particular area. That ticket was challenged by that particular person and that ticket then was turned around and it was not accepted as law and the person then stayed on more than the two week deadline that was indicated on that particular ticket. Now, what has happened or resulted from that is that your department would not back up the person who issued the ticket, your chief of parks and recreation. What I am asking is that that person who issued the ticket should be supported by this staff or this department, Economic Development and Tourism, and I do not think, Mr. Speaker, that the Department of Economic Development and Tourism should shrug its shoulders when it comes to that sort of thing.

Now, I am asking that the Minister of Economic Development and Tourism make a policy regarding park areas, that there be a policy in support of tickets and if they issue a ticket to stay for two weeks then I think that ticket should be honoured for those two weeks and then anything after that, the person should pay again or be removed. I am asking the Minister to stand up to protect and represent his people.

MR. SPEAKER: Do you have any response to that question?

Return To Question 046-63: Tourists Camping In N.W.T.

HON. PETER ERNERK: Mr. Speaker, I think I know the situation of which the Honourable Member speaks. As far as I am concerned that situation was corrected. I personally wrote a letter to the person who as I understand it was kicked out of the campground at one point. As I said earlier last week I have asked my officials about nine months ago,

shortly after our January session, to start work on an acceptable tourism policy for the Northwest Territories to be presented before the Legislature in the January session of this Assembly.

Hence, hopefully, again that will be more acceptable to the tourist, to the administration of campgrounds or parks once it is accepted by this Legislature.

MR. SPEAKER: Gentlemen, you will be pleased to hear that our honourable colleague Mr. Whitford and his wife had a baby boy at 1:15 o'clock a.m. this morning.

---Applause

Further questions? Mr. Butters.

Question W47-63: Regular And Annual Reports, Assembly

MR. BUTTERS: Mr. Speaker, is it contingent on appointment of Members of this House to various Northwest Territories boards and corporations, that they make regular or annual reports to this Assembly?

 $\mbox{MR. SPEAKER:}$ Who is that question for, $\mbox{Mr. Butters?}$ I can not be asked questions, I am afraid. The question and answer period is for the Executive.

Return To Question W47-63: Regular And Annual Reports, Assembly

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I would think that the person so appointed would be required to report back to this Legislature on a regular basis only if that requirement was expressed in the terms of reference of his appointment.

MR. SPEAKER: Further questions? Mr. Pearson.

Question W48-63: Inuit Tapirisat Of Canada, Frobisher Bay

MR. PEARSON: Has the administration any comments regarding the resolution passed at the recent meeting of the Inuit Tapirisat of Canada that the regional council of the Eastern Arctic be disbanded?

Return To Question W48-63: Inuit Tapirisat Of Canada, Frobisher Bay

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I was made aware of that motion by the Inuit Tapirisat of Canada taken at their meeting in Frobisher Bay last week. I was made aware of that at about ten minutes to 9:00 o'clock a.m. I do not care to report my reaction to it. I believe the Commissioner was aware of it last night. We have taken no official position on that as yet.

MR. SPEAKER: Further questions. Mr. Whitford.

Question W49-63: Transfer Of Stanton Yellowknife Hospital To Territorial Government

MR. WHITFORD: Mr. Speaker, in regard to the transfer of the Stanton Yellowknife hospital to the territorial government, is the Minister of Health and Social Services aware of the low pay for the people who work in the Stanton Yellowknife hospital, and is this pay going to be raised to a proper level like the doctors and other people who are well paid, but not people like those who are working in shipping departments, etc.?

MR. SPEAKER: Hon. Dave Nickerson.

Return To Question W49-63: Transfer Of Stanton Yellowknife Hospital To Territorial Government_____

HON. DAVE NICKERSON: I may well be able to report some improvements in January. I believe, Mr. Speaker, the problem lies mainly with the Anti-Inflation Board. It is my understanding that a contract has been negotiated between the hospital administration and representatives of employees which would be mutually satisfactory, but the Anti-Inflation Board has said that this is above their guidelines and a certain problem remains to be resolved with that body and it is possible that increases in excess of what they stipulate will eventually be allowed, but it takes time to try and deal with this.

MR. SPEAKER: Further questions? Mr. Evaluarjuk.

Question W50-63: Interpreter For Meetings, Cape Dorset

MR. EVALUARJUK: Mr. Speaker. I would like to ask the administration if there is any money to get an interpreter at Cape Dorset. Even though the council is going to have a meeting, there is no interpreter. This interpreter would be a trainee.

MR. SPEAKER: Deputy Commissioner Parker.

Partial Return To Question W50-63: Interpreter For Meetings, Cape Dorset

DEPUTY COMMISSIONER PARKER: Mr. Speaker, we do not find it possible as an administration to pay for interpreter positions in every settlement. However, I would like to check with our Department of Information and the Department of Local Government to see whether or not it is possible to give some assistance toward the training of an interpreter for Cape Dorset. When I have made those inquiries I will provide an answer to Mr. Evaluarjuk.

MR. SPEAKER: Are there further questions? Mr. Whitford.

Question W51-63: Health And Social Services To Rae Area

MR. WHITFORD: Mr. Speaker. When is the Minister of Health and Social Services going to send back to Rae the people who work for Health and Social Services, so that they can better serve places such as Rae Lakes, Lac La Martre and Snare Lake?

MR. SPEAKER: Hon. Dave Nickerson.

Partial Return To Question W51-63: Health And Social Services To Rae Area

HON. DAVE NICKERSON: Unfortunately I can not give you a definite date at the present time. This has been something with which I have been very concerned and our level of services to the Rae, Lac La Martre and Rae Lakes area has not been of the standard it should. As part of the decentralization which we wish to take place it is, of course, quite important that we have people not only with the Department of Health and Social Services but also with other departments of government located actually in Rae to service that area. I would hope that in the future the Department of Health and Social Services will have a resident staff in that area. I expect to be presenting a preliminary proposal to the Executive at its next meeting outlining a plan to relocate people into Rae.

MR. SPEAKER: Further questions? Do you have some more, Mr. Whitford?

MR. WHITFORD: Yes, Mr. Speaker, I have got two more questions of importance to ask, if I may.

MR. SPEAKER: Go ahead.

Question W52-63: Grant To Metis Association

MR. WHITFORD: The first question I have got is: the Metis Association is going to go to Europe to represent the war dead or the Metis dead in Europe on November 11th. They have written a letter to the Commissioner in regard to that particular thing and had asked for a grant of some sort to be able to enable them to go to Europe. I am asking now if the Deputy Commissioner is aware of this and that he could respond as to what the government is going to do in regard to being able to help fund the Metis contingent to go to Europe.

MR. SPEAKER: Mr. Whitford, before Deputy Commissioner Parker answers I am getting signals from the interpreter that I can not read but I suspect they are saying you are going too fast. Deputy Commissioner Parker.

Return To Question W52-63: Grant To Metis Association

DEPUTY COMMISSIONER PARKER: Mr. Speaker, we have just this past week received the letter from the Metis Association and the—Commissioner's intention is to place the letter before the next Executive Committee meeting for a decision.

Question W52A-63: Grant To Metis Association, Timing

MR. WHITFORD: Mr. Speaker, I suppose it would be a supplementary question to that. Is the Deputy Commissioner saying then this meeting is going to happen within the next few days because of the urgency or importance of the trip?

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W52A-63: Grant To Metis Association, Timing

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker, this week.

MR. SPEAKER: Further questions? Mr. Whitford.

Question W53-63: Native Handicraft Centre, Yellowknife

MR. WHITFORD: Mr. Speaker, one last question. Is the Minister of Economic Development and Tourism going to help Mrs. Frank Betsina of Rainbow Valley in trying to start a handicraft shop so that she may sell crafts there?

MR. SPEAKER: Hon. Peter Ernerk.

Partial Return To Question W53-63: Native Handicraft Centre, Yellowknife

 $\ensuremath{\mathsf{HON}}$. PETER ERNERK: Arrangements will be made to discuss this with her, Mr. Speaker.

MR. SPEAKER: Questions, any further questions?

Item 3, oral questions. Mr. Pearson.

ITEM NO. 3: ORAL QUESTIONS

Question 059-63: Hiring Of Local People For New School, Clyde River

MR. PEARSON: An oral question to the administration. In light of the comments made a few moments ago by the Deputy Commissioner in response to the question asked by the Member from the Eastern Arctic that a new school be built in Clyde River, can the administration assure us that every effort possible will be made to hire local people in the construction of that extension to the school or the new school?

Return To Question 059-63: Hiring Of Local People For New School, Clyde River

DEPUTY COMMISSIONER PARKER: Mr. Speaker, since the school is scheduled a few years in the future, by the time of construction we should have been able to improve on our already impressive record.

MR. SPEAKER: Mr. Kilabuk.

MR. KILABUK: Mr. Speaker, I wonder if I could go back to Item 2, if the House would like to go back to Item 2?

MR. SPEAKER: Questions? Is there any objection to returning to Item 2, questions and returns? Agreed?

---Agreed

Proceed, Mr. Kilabuk.

REVERT TO ITEM NO. 2: QUESTIONS AND RETURNS

Question W55-63: Fire Siren, Clyde River

MR. KILABUK: Mr. Speaker, in Clyde River we have asked that the houses are increasing more and more and they would like to get a fire siren, if possible, in the settlement. The houses are quite a distance apart from each other so they would like to get a siren in the settlement.

Question W58-63: Whale Quotas

I have another question. They would like to be able to get 100 whales. They would like to catch 100 whales instead of 35, maybe less than 100, but maybe they could get 100 whales.

Also Broughton Island would like to do the same thing. Each year they sometimes can not catch whales at all and not always in the summer but they would like to be able to get a quota of maybe 100 whales or maybe less for each year. Sometimes during the summer they can not catch any on these islands.

Question W57-63: Airstrip, Pangnirtung

Also from Pangnirtung, the airstrip, you know where it is, it is right in the middle of the settlement and it is getting more and more difficult to land and it is dangerous for the settlement. They want the Department of Indian Affairs and Northern Development people to go to the settlement to see if they could make another airstrip in Pangnirtung, maybe even on top of the mountain. There are two problems concerning airstrips. It is too close to the settlement and it is very dangerous and also, there is not enough land for houses to be built. This is the biggest problem we have. They told me if they could remove the airstrip from its present location where the DIAND built it, maybe they could build another airstrip.

Question W56-63: Incinerator, Pangnirtung

I have another question. Mr. Speaker, the people in Pangnirtung asked and they have asked in the past if the garbage dump could be moved. You know, the garbage dump is around the mountain and there is no gravel at all whatsoever and if they could get an incinerator in Pangnirtung, that is what they wanted. Maybe in the future, looking at the future in Pangnirtung, maybe 30 years from now the garbage dump in Pangnirtung will become like the mountain, since after ten years it has grown to quite a pile. The people in Pangnirtung, if they could get a new incinerator or move the garbage dump somewhere else, even though it is very expensive, would like to get a better garbage dump in the future. Also Broughton Island and Clyde River have submitted these questions. I would like the administration to think about it and I would like to get an answer.

MR. SPEAKER: Thank you. Deputy Commissioner Parker.

Return To Question W55-63: Fire Siren, Clyde River

DEPUTY COMMISSIONER PARKER: Mr. Speaker, the first question concerned a fire siren for Clyde River. I can not be certain if one is included in the budget for next year but I am almost certain and I see no reason why we should not provide them with a fire siren.

Partial Return To Question W58-63: Whale Quotas

With regard to quotas on whales for both Clyde River and Broughton Island, I will have this investigated and provide a reply to the Member.

Partial Return To Question W57-63: Airstrip, Pangnirtung

With regard to the airstrip at Pangnirtung, I realize that this is a real problem for the people of Pangnirtung. The settlement has grown very substantially, perhaps more than anticipated and there does seem to be a requirement that the airstrip be used for housing sites but this creates another problem then and that is the location of a spot for an airstrip. Clearly it would have to be either landfilled, perhaps they could use the garbage out into the ocean or on top of the mountain. Either solution is a very, very expensive one and I could make no commitment of course at this time that either solution is a reasonable alternative that could be afforded, however, it certainly will be investigated.

There is a likelihood that in places like Pangnirtung we will have to go to a higher density of occupancy. In other words, more apartment buildings and row houses because there is no question but that there is a grave shortage of usable land and I am not sure if it is a solution just to move the airstrip. That would provide a little more land for a period of time and then the solution of either building elsewhere or following a higher density type of construction would have to be carried out.

Partial Return To Question W56-63: Incinerator, Pangnirtung

With regard to the garbage dump: I would think that that would be within the responsibilities of the hamlet to choose a site and commence using it for a garbage dump. However, I suspect that it is connected with the necessary funds to build a road to the garbage dump. An incinerator for a relatively small place I do not believe is the answer, because it concerns a very considerable amount of fuel oil. However, I will have both the dump location and the matter of an incinerator investigated.

Question W54-63: Welfare Recipients, Pond Inlet

MR. PUDLUK: Mr. Speaker. The hamlet of Pond Inlet want the welfare recipients to be supplied with native food by hunters. The recipients will have some money deducted from their welfare cheques and the hunters will not make any profit from this, but the money will help to buy ammunition to hunt. I wonder why the government has not looked into this matter.

MR. SPEAKER: Hon. Dave Nickerson.

Return To Question W54-63: Welfare Recipients, Pond Inlet

HON. DAVE NICKERSON: Mr. Pudluk is, of course, referring to the proposal which the hamlet council of Pond Inlet have put their mind to, a proposal whereby hunters would receive remuneration for hunting for game which could be distributed to social assistance recipients. A small deduction would be made from the social assistance payment to pay

for the hunters. This is an excellent suggestion. It is something that we have been trying to encourage people to do in the Northwest Territories and I certainly support it very, very much. I have written expressing this support to the community of Pond Inlet. I have written to people within the Department of Health and Social Services and insisted that they find a way that they would be able to put such a program into effect.

With the present trend towards devolution and decentralization most of these responsibilities of the designing, or assisting the community to design and implement such a system rests with the chief officer of the Department of Health and Social Services in Frobisher Bay. I am afraid that I have not yet heard back from this gentleman, although I wrote to him many months ago requesting that something be done about this subject and I would hope that it would not be too long before we are able to put something into effect.

There are a number of situations in Baffin Island in the field of social development that need correcting and it is possible that there will be a change in senior staff within the department in that area in the near future.

MR. SPEAKER: Further questions?

Item 4, petitions.

ITEM NO. 4: PETITIONS

Are there any petitions? Mr. Kilabuk.

Petition 1-63: Narwhal Quota, Clyde River

MR. KILABUK: Mr. Speaker, I have Petition 1-63 from Clyde River regarding the narwhal quota there.

MR. SPEAKER: Any further petitions?

Item 5, reports of standing and special committees.

Item 6, notices of motion.

Item 7, motions for the production of papers.

Item 8, motions. Apparently there are no motions in the book that have not been dealt with.

Item 9, tabling of documents. Hon. Dave Nickerson.

ITEM NO. 9: TABLING OF DOCUMENTS

HON. DAVE NICKERSON: I wish, Mr. Speaker, to table the following document: Tabled Document 13-63: Survey of Handicapped Persons, published by the Health Care Plan of the Government of the Northwest Territories.

MR. SPEAKER: Tabling of documents.

Item 10, consideration in committee of the whole of bills, recommendations to the Legislature, information items and other matters.

ITEM NO. 10: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE, INFORMATION ITEMS AND OTHER MATTERS

Now, there has been one Member who expressed a wish to have Motion 4-63, Increase in Welfare Rates in the Northwest Territories. Are there any other priorities from the Executive's point of view? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Of course, one of the items to which we do give a high degree of authority is Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78.

MR. SPEAKER: Well, I am in your hands, gentlemen, in whatever you want to do first. Do you want to do the supplementaries first?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: This House will resolve into committee of the whole for consideration of Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78, with Mr. Stewart in the chair.

MR. BUTTERS: Mr. Speaker, on a point of order. I wonder whether as Assistant Commissioner Mullins will probably be before us we might not at the same time include that matter of priorities, a change in priorities?

 $\mbox{MR. SPEAKER:}$ What matter is that, $\mbox{Mr. Butters, the financial priorities}$ in the Northwest Territories?

MR. BUTTERS: Yes, sir.

MR. SPEAKER: I do not know anything about that personally. Can that conveniently be dealt with at the same time as the estimates? Is there a paper on it? No. Well, it is a financial matter. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I do not know what is expected for that particular item, but I must advise you that Assistant Commissioner Mullins will not be available for a while because he is attending two meetings as our observer in company with the Minister's party.

MR. SPEAKER: Well, if it is Assistant Commissioner Mullins then that you want to hear from, Mr. Butters, we might as well proceed with the supps and leave that other item until he is available.

MR. BUTTERS: Assistant Commissioner Mullins will probably be our witness for the supps too as he is usually always here when we discuss the supps.

MR. SPEAKER: As indicated, we will resolve into committee of the whole, with Mr. Stewart in the chair to consider Bill 3-63.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 3-63, SUPPLEMENTARY APPROPRIATION ORDINANCE, NO. 2, 1977-78

THE CHAIRMAN (Mr. Stewart): The committee will come to order. Comments of a general nature? Are there any comments of a general nature? Mr. Pearson.

MR. PEARSON: What is it all about? Can we get just a rough outline of what we are about to do here?

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

Explanation Of Supplementary Appropriations

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78, contains a number of items which were not anticipated when we voted the main appropriations last January and February. These items in some instances represent an advance on next years spending, that is there are several projects for which it made better sense to continue them at the present time rather than to stop the projects and recommence them to completion next year. Therefore, what we are doing is proposing to spend some capital money this year and not spend it next year.

There are other items which have come up which are of a pressing nature and in each instance where the money has already been spent and if this occurs a time or two, we will inform you. The money for those items which are not either a revote from last year or an advance on next year, comes from our surplus which we had at the end of this year. We completed 1976-77 in a favourable financial situation, that is from a cash flow standpoint and we are able to handle the supplementaries that are placed before you. I think it is not possible to give any more general statements or explanations and probably the best thing would be to speak to each vote as it occurs.

Executive, O And M - Activity 1015, Clerk Of The Council, Agreed

THE CHAIRMAN (Mr. Stewart): Any further comments of a general nature? I direct your attention then to page three, activity 1015 under the program Executive, operation and maintenance, activity, Clerk of the Legislative Assembly. The supplementary estimate of this section is in the amount of \$353,000. Agreed?

---Agreed

Natural And Cultural Affairs, $\dot{0}$ And M - Activity 1563, Fish And Wildlife Services, Agreed

On page four, program, Natural and Cultural Affairs, operation and maintenance, fish and wildlife services, activity 1563, supplementary estimate, \$105,000. Agreed?

---Agreed

Local Government, O And M - Activity 2024, Town Planning And Lands, Agreed

Page five, program, Local Government, operation and maintenance, town planning and lands, activity 2024, supplementary estimate, \$79,000. Agreed?

---Agreed

MR. PEARSON: Is that for all communities, that would increase in the approach? Is that for all communities or just one in particular?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this covers quite a number of communities. It is not specifically aligned to any one. The cost of this work and the requirement both went up this year, hence the requirement for the extra money. There is planning work going on in about 12 or 15 communities and this requirement is to complete the work under way for this year.

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

MR. PEARSON: I am glad to see that there is an increase there. I wonder if we can get some assurance from the Minister responsible that there will be a marked increase in future in this particular area. It has occurred to me since taking on new responsibilities in Frobisher Bay, particularly that the area of planning is one which is so important to the orderly growth of any community, considering we have some 50 communities in the Northwest Territories that I think are all in the same boat.

HON. ARNOLD McCALLUM: Mr. Chairman, I think we could give assurance to the Member and the other Members that this is one area that in fact we will be looking at very seriously because we recognize that there are problems in not only the Eastern Arctic communities but other communities as well and we will certainly be putting some positive effort in this direction.

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

THE CHAIRMAN (Mr. Stewart): Thank you. Page six, program, Public Works, operation and maintenance, activity 3032, repair and upkeep of buildings and works, supplementary estimates in the amount of \$248,000. Agreed?

---Agreed

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

Activity 3033, operation and maintenance of equipment in the amount of \$282,000. Agreed?

---Agreed

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

Activity 3034, regional project management in the amount of \$417,500. Agreed?

---Agreed

Economic Development And Tourism, 0 And M - Activity 6065, Projects And Marketing, Agreed

Page seven, Economic Development and Tourism, activity 6065, projects and marketing, supplementary estimates in the amount of \$50,000. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, looking at the activities, Calgary Stampede and Klondike Days, Pacific National Exhibition, all of which have been completed, I assume that what we are doing here is voting \$50,000 to pay for that which is already done and spent, are we?

THE CHAIRMAN (Mr. Stewart): I think your presumption is correct. Mr. Minister.

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

THE CHAIRMAN (Mr. Stewart): Activity 6065. Mr. Pearson.

MR. PEARSON: If we voted \$50,000 to raise some funds, how much funds did we raise? I mean was it a profitable venture?

THE CHAIRMAN (Mr. Stewart): Although the audit is not complete, the amount was in the order of 110,000 or 115,000.

MR. PEARSON: Is that a profit?

THE CHAIRMAN (Mr. Stewart): You can put it that way, if you wish, Mr. Pearson. Agreed?

---Agreed

Education, O And M - Activity 7070, Administration, Agreed

Page eight, program, education, operation and maintenance, under administration, activity 7070 in the amount of \$16,000, agreed?

---Agreed

O And M - Activity 7071, Schools, Agreed

Schools, activity 7071, in the amount of \$753,000, agreed? Mr. Pearson.

MR. PEARSON: Mr. Minister, what is that for?

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

DEPUTY COMMISSIONER PARKER: Thank you, Mr. Chairman. Mr. Chairman, this is a matter of catching up after the Anti-Inflation Board approved an increase and this money was not budgeted, but it had been placed in a fiscal framework. We knew we were going to require it but we could not vote it until we had that approval.

O And M - Activity 7073, Adult Vocational Training Centre, Agreed

THE CHAIRMAN (Mr. Stewart): Adult Vocational Training Centre, activity 7073 in the amount of \$8000. Agreed?

---Agreed

Public Services, O and M - Activity 8083, Labour Standards, Agreed

Page nine, Public Services, operation and maintenance, labour standards, activity 8083 in the amount of \$50,000, agreed?

---Agreed

Personnel, Capital - Activity 1448, Housing

Page ten, Personnel, capital, housing, activity 1448 in the amount of \$918,900. Mr. Pearson.

MR. PEARSON: Can we assume, Mr. Chairman, that the 15 units of housing cost \$3,640,900 in total?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it may be bad, but it is not that bad. The cost of the housing, the final cost of those 15 units is going to come to approximately \$1.6 million or \$110,000 per unit. The figure there includes the total staff housing program for the Northwest Territories government.

MR. PEARSON: Mr. Chairman, in both items it mentions 15 units of housing in Frobisher Bay.

DEPUTY COMMISSIONER PARKER: That is correct. The first item is a revote and the second item is new money adding up to the total of \$918,900.

MR. PEARSON: A supplementary question to that: as a businessman in the community of Frobisher Bay I was recently asked to submit a price on some furniture for those units. Some days ago I criticized the government's purchasing policy and would like to elaborate on this particular case so that I can ...

THE CHAIRMAN (Mr. Stewart): I wonder if you could bring your microphone in a little? We are having difficulty hearing you.

Purchasing Policy Of The Government

MR. PEARSON: I beg your pardon. The purchasing policy of the government leaves something to be desired. In this particular case a great deal of trouble was made by the government to contact my company to invite us to bid on some furniture that was to be supplied for these units. After a considerable amount of work on the subject we discovered that the orders had already been placed for the furniture by the department responsible. They dealt directly with the company that designed the furniture specifically for the job, but to make it look as though they are really keen on promoting private enterprise they then go to the local people and say "Would you like to bid on this?" The local people are not aware that the arrangements have already been made. It is the most incredible system. They expect a local entrepreneur to go to a manufacturer of goods from whom they have already got a price, expect that local entrepreneur to come up with a better price than they can get themselves.

We have had numerous examples of this kind of thing and I mention it because it is kind of difficult to deal with the organization when they have these preconceived plans already made and prearranged deals already made for the goods that they want but to make it look as though they are supporting private enterprise they then invite you in after it is all over.

I do urge the government to reconsider this approach to purchasing and, if they really honestly wish to support local enterprise, that they do it properly and honestly. I speak not only for myself but I know for other suppliers in the Northwest Territories to whom I have spoken of this matter and other matters.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Pearson raises two points and I would like very much if I could just respond to them.

The first one that he raises is that, having been asked to bid, he finds that the order had already been placed. In this case this was not true. There was an error made originally in that an expectation developed that these units should have furniture that was of such a design that it would suit them. In other words, a fairly lean design, and negotiations were carried out with the supplier. I stopped that negotiation because I did not believe that the furniture that supplier was going to put in there -- I felt it was too expensive. A number of us reviewed this and we found that it was going to be too expensive and we stopped that order. We put it out to tender on an invitational basis including a local firm or local firms and in fact through that device we saved several thousands of dollars, I think about \$15,000 over what had been erroneously planned by a certain section of our staff. So, the order had not been placed when Mr. Pearson was asked to bid.

Purchasing Power Of The Government

Now, the second question is perhaps a more difficult one. The territorial government and the federal government have tremendous purchasing power as you can appreciate. The federal government has standing offers of agreement with a number of major suppliers which produce goods to the government at prices that are very substantially below what any retailer could offer. So the question that comes to us is: do we take advantage of that purchasing power and save the taxpayers a lot of money or do we purchase locally? Now, we have wrestled with this over the years and I really mean we have worked on it and it is not an easy question.

I think the answer that we have come up with is a compromise, plain and simple. We buy locally where the penalty is not very substantial, but where we can take a very major saving then we feel that we must go to the manufacturer.

I might be criticized for using an example but I will and the example is the purchase of outboard motors. Each year for our fish and wildlife people we routinely have to replace a number of outboard motors. We can save something in the neighborhood, and I am guessing here, but it is something like \$300 or \$500 per kicker if we use the federal government's standing offer of agreement as against buying them from the local concerns. In that case we think we have to take that advantage. On the other hand, when we buy other vehicles we are generally interested, at least in some cases we are interested in an ability to maintain the vehicles and an ability to supply parts and so forth and we buy quite a number of them on a straight local tender. Some manufacturers and wholesalers, even though they supply the goods themselves, pass on a portion of the profit to their local retailer, others do not do this. We can not dictate their policies. I explain this to you merely as an indication that we do have a concern in this area.

MR. PEARSON: Well, I am sure that the comments Deputy Commissioner Parker has made to the last item are absolutely correct. My company receives invitations to bid on items such as lumber. The territorial government also sends the same invitation to the prime supplier and every so often there is a great mailing that goes on and all the local entrepreneurs across the Northwest Territories get an invitation to tender on lumber, bearing in mind that the government has already gone to the prime supplier that the guys in the Northwest Territories buy their lumber from too. So what is the point in going through the fruitless exercise? I mean it took my company a while to catch on to the fact that this was in fact happening because we could never ever bid successfully on any contract. After we had gone to a tremendous amount of trouble and research into the matter and we had arranged for credit with various companies, we find that the government was in fact dealing with the people directly and of course getting a much better price than we could of course possibly give because we have to make a profit as the middleman whereas the government deals directly with the prime supplier.

Now, when the government says, or at least it has hinted over the years that it would give a ten per cent edge it can not really do this and it has not done it. The result is that the local entrepreneur is and I am sure Frobisher Bay is not unique, the local entrepreneurs across the Northwest Territories are not able to compete with the southern prime suppliers. Now, it is my belief that if the government were to put an end to dealing with those people in southern Canada and deal with local people on an honest basis that it may cost us slightly more, but the government would have direct dealing with northern entrepreneurs and could hopefully develop and encourage the growth of worthwhile businesses in the Northwest Territories and to encourage local people from one end of the Northwest Territories to the other.

Co-operative Movement In The Lumber Business

The co-operative movement is in the lumber business, there are co-ops in practically every settlement in the Northwest Territories. To get the proper growth of business in the Northwest Territories, I think that they should seriously look at the purchasing policies because it is much easier for them to deal with individuals who are established in the Northwest Territories than it is with people who are in southern Canada who ship their goods, and in many cases inferior goods, to the airports and to the docks where they sit. In the case of lumber, thousands of tons of lumber are purchased annually and in many cases inferior quality is switched or the quality is switched from the original order to the actual received goods. The supplier is realizing that in most cases where the goods are being shipped, particularly in the lumber business, the lumber that arrives on the beach is never checked because there is nobody there, in some of these smaller communities, to check it, because half of the responsible people in the community are away on holidays during the sealift.

So, I would urge the administration to undertake a study into this whole matter and, hopefully, to ultimately encourage the orderly and better growth of local businesses, because as long as you keep going at this rate, northern retail, northern wholesale organizations will not be able to do any business with you at all. We just can not compete.

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

HON. DAVE NICKERSON: Mr. Chairman, maybe I could make some brief comments on that. I do not really want to question at this time the propriety of

a Member bringing up his own private relationships with the government. I do not really want to get into a discussion on that, but as a government I guess we have a responsibility both to the taxpayers and also to the northern entrepreneurs and we try to strike the correct balance. When, for instance, we are buying large quantities of timber, it might be that we can get a much better deal from a bulk supplier.

On the other hand, when we are buying limited quantities it might be much more efficient if we just go down to the local lumber yard and buy a few two-by-fours or whatever it is, so in that particular circumstance the local supplier can be much more competitive and we always try to take this into account, the proper balancing of what is the most efficient utilization of public funds.

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

Benefits For The People Of The N.W.T.

MR. PEARSON: Mr. Chairman, I am delighted to hear that Hon. Dave Nickerson takes his responsibilities so well when he speaks for the administration. Of course these things are more efficient, it is much more efficient to deal directly with southern Canada and to completely usurp the growth or the orderly growth of business in the Northwest Territories. We are presently engaged in the business of purchasing housing from southern Canada and the people in Yorkton, Saskatchewan have got a fantastic thing going for them, they are supplying \$4 to \$5 million worth of housing for the Northwest Territories each year, but where are the benefits in that for the people of the Northwest Territories? Every few months there is a new packet of prefabricated houses go up and they just move in and they have had no part in building the things. They have all been fabricated by a bunch of people in southern Canada and sure it is efficient and sure it is cheaper but what the heck are the long-range benefits? They are pretty limited. I regret having to bring these matters up because I happen to be in business in the Eastern Arctic, but I do know of what I speak and if I do not bring them up who else is going to bring them up?

Paper Re Northern Businesses

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this matter has been drawn to our attention, of course, by Mr. Pearson and by others over the years, including business people who themselves face a dilemma. A local businessman in Yellowknife phoned me on this same subject just last week. I think the administration would be wise to bring forward a paper on this subject. I would not like to promise it for January, but at least within the next year...

MR. PEARSON: Hear, hear!

DEPUTY COMMISSIONER PARKER: We can lay out some of the purchasing statistics for you to show the benefits which can accrue to northern businesses and the benefits which can accrue to the taxpayer's purse and, with that kind of information before you, you may then wish to give the administration some advice. If you think that would be a sensible move, Mr. Chairman, I would be glad to have such a paper started.

MR. PEARSON: Hear, hear!

THE CHAIRMAN (Mr. Stewart): Thank you. Is it the desire of this committee to have such a paper put together?

SOME HON. MEMBERS: Agreed.

---Agreed

Activity 1448, Housing, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 1448 in the matter of \$918,900. Is it agreed?

---Agreed

The hour is 10:30 o'clock a.m. Shall we adjourn for coffee? SOME HON. MEMBERS: Agreed.

---SHORT RECESS

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

THE CHAIRMAN (Mr. Stewart): I recognize a quorum and call this committee back to order. We are on page 11, Natural and Cultural Affairs, capital, museums and historical sites, activity 1522, in the amount of \$60,000. Agreed?

---Agreed

Local Government, Capital - Activity 2022, Municipal Division, Agreed

Page 12, Local Government, capital, municipal division, activity 2022 in the amount of \$1,700,000. Agreed?

---Agreed

Finance, Capital - Activity 5051, Systems And Computer Services, Agreed

Page 13, Finance, capital, systems and computer services, activity 5051 in the amount of \$255,000. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, my only concern is that Hinchey and Company of Yellowknife have been doing some work for the government and I am concerned that they are still able to continue the work that they are doing as a private business firm in Yellowknife, and, if this is over and above that particular work, then I am prepared to go with it.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 5051, agreed? Mr. Whitford.

MR. WHITFORD: Mr. Chairman, my question I do not think was answered.

THE CHAIRMAN (Mr. Stewart): I am sorry. I did not think it was in the form of a question.

DEPUTY COMMISSIONER PARKER: The expenditure does not change any situation with respect to Hinchey and Company. It merely changes a rental situation to a purchase.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 5051, agreed?

---Agreed

Supply Services, Capital - Activity 5053, Agreed

Supply services, activity 5053 in the amount of \$156,000, agreed?

---Agreed

Mr. Deputy Commissioner, could you supply us with the little secret number there for the top of page two?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the number is \$5,451,400.

THE CHAIRMAN (Mr. Stewart): Thank you. Back on page one, clause 2, amount granted for 1977-78, with the figure \$5,451,400, agreed?

---Agreed

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

---Agreed

Clause 4, lapsing of appropriations. Agreed?

---Agreed

Clause 5, transfer of moneys and accountable advances. Agreed?

---Agreed

Short title. Agreed?

---Agreed

Is the report ready for third reading? Agreed?

---Agreed

Mr. Speaker.

DEPUTY COMMISSIONER PARKER: Just a second, please, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): We just have come unagreed, I guess.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I apologize. The figure that I gave you was the total for the supplementaries, but with the wording of that particular clause it makes reference to the grand total expenditure, so it should show the previous vote plus the supplementaries. It says "not otherwise provided...". I am sorry. I was right the first time. I have been misled. What you have done is correct.

THE CHAIRMAN (Mr. Stewart): You are forgiven. It is Monday morning.

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78

MR. STEWART: Mr. Speaker, your committee has been studying Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78. The committee has gone through the bill with no amendments and it is now ready for third reading. I would move that this report be accepted as presented.

MR. SPEAKER: Is there a seconder? Mr. Pearson. Question?

SOME HON. MEMBERS: Question.

MR. SPEAKER: All in favour? Down. Contrary?

---Carried

The next item, may we move on to Motion 4-63, motion by Mr. Pearson that we discuss in committee of the whole an increase in welfare rates in the Northwest Territories?

---Agreed

This House will resolve into committee of the whole for discussion of Motion 4-63, Increase in Welfare Rates in the Northwest Territories, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Motion 4-63, Increase in Welfare Rates in the Northwest Territories, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER MOTION 4-63, INCREASE IN WELFARE RATES IN THE NORTHWEST TERRITORIES

THE CHAIRMAN (Mr. Stewart): The committee will come to order to discuss Motion 4-63.

MR. PEARSON: We can not hear you.

THE CHAIRMAN (Mr. Stewart): The committee will come to order to discuss Motion 4-63, a motion to increase the welfare rates in the Northwest Territories. The motion reads as follows: "Whereas the Minister of Health and Social Services has emphatically refused to increase the rates paid to welfare recipients; and whereas needy people throughout the Northwest Territories are suffering great hardship; and whereas funds are available for an immediate increase; now therefore, I move that this Assembly recommend to the administration that an increase be made immediately in the welfare rates."

This motion was moved by Mr. Pearson. Mr. Pearson had it put into committee by the Hon. Dave Nickerson on advice and vote of this Assembly. How do you wish to handle this? Do you wish the mover of the motion to speak first or do you wish the Minister of Health and Social Services to open the discussion? Hon. Dave Nickerson.

HON. DAVE NICKERSON: I have a number of papers for distribution, Mr. Chairman, some of which have been translated into Inuktitut. I wonder if someone could now collect those Inuktitut versions for me so that I can distribute them?

THE CHAIRMAN (Mr. Stewart): Would they be upstairs?

HON. DAVE NICKERSON: I would imagine so. Perhaps the Clerk of the House knows exactly where they are.

THE CHAIRMAN (Mr. Stewart): In the interim do you wish to proceed to comments of a general nature? The Chair is at the will of the committee. Yes, Mr. Pearson.

MR. PEARSON: Mr. Chairman, it is unfortunate that the matter which I wanted to raise in a simple, ordinary fashion, through a motion that there be an increase in rates, it is unfortunate that this has sort of got a little out of perspective and has become the subject of considerable discussion and controversy over the last few days. I do not think that there is anyone in this room who disagrees with the motion in principle, other than perhaps the Hon. Dave Nickerson. Hon. Dave Nickerson, the appointed Member of the Executive, appointed by this Assembly, does not feel, certainly does not appear to feel as I do. He has assured me that there will be some changes made and that his department is doing some research on the matter, that the government is concerned and they are prepared to increase rates in the next fiscal year. That is all very well and good, but, unfortunately, the reality of the situation is such that expecting people to wait an additional six months before there is an increase in their social assistance would be imposing a severe hardship on many people.

Tentative Increase

Now, of all the government departments, Health and Social Services in the Eastern Arctic has certainly a lot going for it. It employs more native people than any other single department in the entire Northwest Territories. It is, in my opinion, a competent organization. It is very much in tune with the wishes and needs of the people. It is very close to the people. In fact, it is probably the closest of all government departments. I do not think that there are very many instances of welfare abuse taking place anywhere in the Northwest Territories, due to the careful management of this particular agency. There is no question that the needs of people in the outlying areas and I am sure even in communities such as Yellowknife, your obvious needs are pretty crucial at this time, with the increased cost of living, the devalued dollar and the unemployment situation across the whole country, not just in the Northwest Territories, is going to have a devastating effect on the lives of all of us in the Northwest Territories this coming winter, not just welfare recipients.

I would be more than willing to accept a tentative increase, that this Assembly shows good faith on the part of the people it serves. It is our responsibility. It is not some federal agency in southern Canada we are dealing with, that we can not quite come to grips with or can not communicate with. It is right here. It is our responsibility, it is our job, this Assembly, and an increase of ten per cent right across the board would be sufficient as far as I am concerned to tide people over for the next few months, until the Department of Health and Social Services, for which the Hon. Dave Nickerson is responsible, comes up with a reasonable increase in the next fiscal year.

I have got many details. I have a letter here that was, in fact, sent to Hon. Dave Nickerson, a copy of a letter sent to Hon. Dave Nickerson on September 19th, where it states that the people in Pond Inlet, particularly, are having a difficult time with welfare. Mr. Pudluk this morning asked that we make some arrangements to allow hunters to bring in fresh meat to those people, because of the difficulty they have in obtaining funds to buy it at the store locally. Having said that for the time being, I will give the floor to somebody else.

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

Policy Development

 $\overline{\text{HON.}}$ DAVE NICKERSON: There are a number of things that I would like to do while the committee is discussing this matter of social assistance rates.

I would like to explain to the committee what my policies and what my philosophies on the matter of social assistance rates are. I have distributed to all Members a copy of a directive that I gave to my senior staff requesting them to develop a policy in line with my wishes. I have brought what I think are the correct policies to the attention of the Executive Committee of the Government of the Northwest Territories. They have accepted what I think to be the right approach and have given me the opportunity and, of course, the necessary time in which to develop these policies. I would like to speak at some length on this matter, further on in the debate, and would ask if Members would take the opportunity to read the letter, which I have circulated and which I will read into the proceedings shortly.

Mr. Chairman, when we examine Mr. Pearson's motion, you will find that it is a very personally abusive motion. Mr. Pearson obviously does not agree with me and he has every right not to agree with me, but the personal abuse, the personal attack on me contained within his motion is something which I do not approve. The three "whereas" clauses which I intend to demonstrate are just not true, not true at all and I will go over them one by one. The first one is a deliberate lie, Mr. Chairman. It says here that the Minister of Health and Social Services has emphatically refused to increase the rates paid to welfare recipients. This is not true.

MR. PEARSON: That is exactly what you said, you said, "No."

Recommendations For Change

HON. DAVE NICKERSON: On several occasions, Mr. Chairman, in this chamber and elsewhere throughout the Northwest Territories, on several occasions in Baffin Island and in Frobisher Bay, I have said that what I intended to do was to bring recommendations for changes in social assistance rates to this Legislature in January, 1978. They could then look at it and, if they approved, provided we were able to get funding from the senior government, they would go into effect as of the first of April. So, I have never refused to increase rates. What I have said is, I refuse to be hounded by Mr. Pearson into doing something now which should not be done. We should spend the time we have available to us in developing a reform system and not go about it in a piecemeal manner. I submit to this committee, therefore, Mr. Chairman, that the first "whereas" clause is not true and should be removed.

Now, the second one, the second "whereas" clause where it says: "Whereas needy people throughout the Northwest Territories are suffering great hardship." After I have made a few comments, I would like to stop and have Mr. Pearson demonstrate who is suffering great hardship. I do not know, Mr. Chairman, of one person who is starving to death. I do not know of one person who is suffering what I would call "great hardship". The worst hardship that I can think of is some people might not have enough money to buy all the booze they want.

MR. PEARSON: Shame, shame!

HON. DAVE NICKERSON: Perhaps at this point in time Mr. Pearson would like to give us the names and addresses of people whom he says are suffering great hardship. I do not believe there are any, Mr. Chairman.

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

MR. WHITFORD: Mr. Chairman, I will wait for Mr. Pearson's response, but I do not think Mr. Pearson should get up and name names of people on welfare. Nonetheless, I will wait for Mr. Pearson's response and then I will talk.

MR. PEARSON: No response.

THE CHAIRMAN (Mr. Stewart): The point is that Mr. Pearson is not necessarily required to make a response. Your hand was next in line to speak, Mr. Whitford. Would you like to exercise that at this time?

Welfare A Personal Matter

MR. WHITFORD: I am sorry, Mr. Chairman. Mr. Chairman, I believe honestly that there should be an increase in the welfare and I support Mr. Pearson's position. I do not think that names of persons or places should be mentioned, even within this Assembly. I think that is wrong and I think that the Minister in calling for such a thing is disgraceful, because people who come to welfare are coming to discuss their particular problems. It is a personal matter and not a matter of everybody in the Northwest Territories knowing what they are doing. For the Minister to ask Mr. Pearson to reply, or any Member of this Assembly to reply to statements like that, to me is disgusting and distasteful. But, nonetheless, Mr. Chairman, there are people in our community and I know of a family who has ten kids and he is not at this point in time on welfare. The amount of money that that family is making is disgraceful, according to what welfare pays versus this particular private enterprise, the payment of salary for a job that he and his wife are getting from that particular company. I am sure that welfare would pay more if the man quit working, but no, he is insistent, he wants to keep on working and this is how he feels about it.

My concern is I think they should have put a welfare officer out in Rae to constitute not only Rae but Rae Lakes and Lac La Martre, so they would be closer to the problem. Right now we have a welfare officer, who is sitting in Yellowknife, who goes out to these communities periodically, as well as to Rae Lakes and Lac La Martre and Snare Lake. There has got to be a feeling, it is just not money given to people, Mr. Chairman, there has got to be a feeling for people. Just because a guy has got a skidoo and has got a home and a few articles within the home, furniture, etc., does not mean that that guy should be cut off welfare. There has got to be a humanistic feeling.

MR. BUTTERS: Hear, hear!

Employment Improved In Rae

MR. WHITFORD: There has to be a feeling of value for the person. How does the guy from Yellowknife, in the Laing building, know how these people feel in the communities? He is getting \$35,000 to sit here and be the Minister and that poor guy down there is working for \$400 and \$500 a month. Mr. Chairman, it has got to be unfair. It is easy to tell someone you can not get welfare if that particular person is versus the person in the street. If the man has children and wants to raise them to be part of society, to compete in the competitive world, we talk so much about native people coming in to join or to take part in this particular economic society. I think Deputy Commissioner Parker made a very great contribution to our community when he said, "We are going to give that contract for construction to Dogrib Construction." The Minister may laugh right now but, Mr. Chairman, two years ago we had 300 people unemployed in that community. Today I am proud to say we have over 150 people working in Rae, who are working on these makeshift programs and the Minister responsible for Health and Social Services is snickering right now and he knows that is true. It is a makeshift program.

THE CHAIRMAN (Mr. Stewart): Hon. Dave Nickerson, is it a point of order?

HON. DAVE NICKERSON: It is a point of order.

THE CHAIRMAN (Mr. Stewart): Proceed.

Human Values

MR. WHITFORD: Excuse me, Mr. Chairman, perhaps I do not know the Rules of the House, but these are some of the issues and concerns of our people and we want to get out of that. We are trying to build within ourselves so that we do not have to come and ask for a handout and we are doing it. We have got ways and means and we have had meeting after meeting in the last three months to try and come out of this dilemma. We are coming out of it, but still there are people that we can not bring out and we know we can not bring out, basically because of the fact that they are too far gone. People 40 or 50 years old who have been living in this position of spending money that they have and it is not the territorial government's fault. It is the fault of government from years ago and through the way the Department of Indian Affairs and Northern Development has treated the whole situation, going back to the 1950's and the 1940's. It is a concern to me, Mr. Chairman, and I agree with Mr. Pearson. There are areas of social development that need to look at the situation and again I emphasize this, not as a law in a book but of a humanistic value. A guy comes for welfare and maybe he can not talk the language very well and so he is nervous, scared or afraid. Maybe he is working but it is not just because he is working but because the community can not generate the money to pay him a salary of eight or ten dollars an hour, so consequently he needs that assistance. I think I had better stop for now, Mr. Chairman.

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

Deserving Cases

HON. DAVID SEARLE: Mr. Chairman, obviously, if we are not very careful, this debate could become acrimonious, to say the least. I wonder if I just might attempt to analyze what I think the issue is and maybe, in that attempt, take some of the obvious emotionalism out of the debate. It seems to me that if it is true that social assistance has not been reviewed for a couple of years, then one might also assume that, in view of the well-known inflation we have suffered, some increase would obviously be in order. I think the Hon. Dave Nickerson has indicated that in his paper where he says "I have said that I could foresee an increase in social assistance rates...of some 25 to 30 per cent for deserving cases..." and I think the important thing is the phrase "deserving cases".

I think it is a red herring, the issue of whether certain people should or should not receive welfare. I do not think that is the thing we should be addressing our minds to. It is a question of assuming you have deserving cases and I think that is what Mr. Pearson is talking about, deserving cases. He is not talking about broadening the base for eligibility. He is saying there are deserving cases. Let us assume for the purpose of this debate that that is what we are talking about. Let us assume that there is another fact that is not in dispute. The rates, except on a stopgap basis, have not been reviewed for a couple of years. Let us also assume a third fact that should be in dispute, that we have had substantial inflation. Now, if we agree on those three facts, then the only difference between the Hon. Dave Nickerson and Mr. Pearson is not that welfare rates should not be adjusted, but, rather, the timing. That is the only thing in dispute.

Hon. Dave Nickerson says he would like to complete his full review and he would like to budget the welfare increases in the normal manner. That is to say, that the increases after a full review would appear in the January estimates to come into effect in March. Mr. Pearson says that is too late and that is really all that is in dispute, as between the two honourable gentlemen. Mr. Pearson further says, I take it from his motion, that funds are available for an immediate increase. I think that is the key. Are there funds available for an immediate increase? If there are, then could some increase be made now with the funds available that would not prejudice this complete review, which I understand will look into eligibility as well as the other matters? It seems to me that the middle ground in this discussion is this: so as not to prejudice the complete review, are there funds available now which could give some relief, which it seems to me is obviously in order, because of the assumptions that I have laid out? Just to repeat them, because there has not been a review in a couple of years, yet there has been inflation.

If there are funds available and I think that is what we should address our minds to, could an increase be given, maybe not to the extent of 25 per cent or 30 per cent as the Hon. Dave Nickerson has indicated, because you would not want to be in a position of having increased these rates beyond what your ultimate review might think they should be. Maybe there is enough money somewhere to give an increase of ten per cent or 15 per cent, which could go into effect more or less immediately with the further increase of ten or 15 per cent coming into effect in March, when the full review is done and the budget is in place.

Availability Of Funds

So, Mr. Chairman, I guess my feeling for the subject would be that the debate should be directed to whether there is money available, how much it is. If there is no money available, then we can talk all we want about the need for an increase, but surely the debate ends there. It is only

if there is some money available, which I assume might have to be made available to the Hon. Dave Nickerson's department from other departments. If that is so, then the question is what is the amount. If you know the amount, then you know very easily what the percentage increase could be at this point in time, because we would be dealing with a fixed sum. It would not be open-ended. Mr. Chairman, could we somehow know from the Executive whether funds could be made available, either from within the Department of Health and Social Services or transferred from other departments, to give an interim increase, which would not prejudice the complete review that the Hon. Dave Nickerson is planning? And I might say in which I support the Hon. Dave Nickerson.

You know, it is all too easy to pop in, do a band-aid approach continually and maybe a band-aid is needed right now to give some assistance, but surely we can not criticize him in the position he has taken. There should be a review and this should be done on a very planned logical basis. Obviously, the next budget is when that planned situation will come into effect. Is there anything we can do in the interim is really the question. Is there money available and, if so, how much, because that would determine what he could do now? In a way, and I stress, in a way that would not prejudice the over-all review. In other words, you would not want to give a rate or change the eligibility now so that you had to backtrack on that later. You can not really give something and then be in a position of taking it away, if you follow me. Is there something we could do that would assist those now eligible to the tune of, say, ten per cent or 15 per cent? Could we have, Mr. Chairman, could I maybe suggest we direct the debate in that manner because there may well be a middle ground available to us now, which helps Mr. Pearson along and does not prejudice the good planning which the Hon. Dave Nickerson is doing for the long run?

THE CHAIRMAN (Mr. Stewart): To the question raised by the Honourable Member, Hon. David Searle. Hon. Dave Nickerson, I would grant you the floor if it is to answer the question relative to the financial situation. If not, I would have to recognize Mr. Pearson because he has priority. If it is on that subject, Hon. Dave Nickerson, you have the floor.

Ten Per Cent Increase

HON. DAVE NICKERSON: In reply to what the Hon. David Searle has said, there are funds available within our budget. I was reviewing the figures earlier today and we should be able to manage about a ten per cent increase. This, if it was the wish of the Legislature that a ten per cent increase be made immediately, that probably needs two weeks or so, we could live with that. If the committee felt fit not to deal with the very poorly worded and abusive motion that we have before us but, instead, adopt a motion in sensible terms along the lines suggested by the Member for Yellowknife South, we could very well look at that.

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

MR. PEARSON: I am encouraged by the comments and I thank the Hon. David Searle for his elucidation and I thank the Hon. Dave Nickerson for his optimistic comments. I am not too concerned with semantics. I am concerned with the hardship that is presently being imposed on needy people throughout the Northwest Territories. There is no question about that when one considers that, in areas such as the High Arctic, food prices for certain commodities run as high as 1118.49 per cent higher than those in Yellowknife. A ten per cent increase will alleviate some difficulties, not all. It will certainly ease my mind that we, the Legislature of the Northwest Territories, have acted in a responsible way and that we have tried to alleviate some of the difficulty and hardships that they are presently suffering, contrary to what the Hon. Dave Nickerson believes.

So, my only other comment would be then to move a motion that there be an increase of ten per cent in the welfare rates, payable as soon as it is possible for the paperwork and the necessary arrangements to be made.

Motion To Increase Welfare Rates By Ten Per Cent

THE CHAIRMAN (Mr. Stewart): We have a motion on the floor. To the motion? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Chairman, my support of the motion just moved by Mr. Pearson is contingent upon the withdrawal of the first motion.

THE CHAIRMAN (Mr. Stewart): I think basically Mr. Pearson said he is not interested in semantics and that quite possibly he might withdraw the first motion.

MR. PEARSON: I certainly agree with the wishes and I remove the "whereas" clauses. As I say, semantics are not my concern. It is the increase. I am more than happy.

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

HON. DAVID SEARLE: Mr. Chairman, I think frankly that what all of the Honourable Members wish could be accomplished is, rather than moving a new motion, deal with the motion we have. By that I am suggesting that the "whereas" clauses are what the Hon. Dave Nickerson finds offensive, not the resolve part which simply says "Now therefore, I move that it be recommended to the administration that an increase be made immediately in the welfare rates". Hon. Dave Nickerson has said in debate that he thinks the rates will be increased by approximately ten per cent. I guess I would be reluctant to fix the percentage at ten per cent, because he may find that he could do better than that. On the other hand, he has just given us a rough estimate and it might only be eight per cent. I do not know. He knows what we want and it is advice to him and it is advice to the administration. They might be able to do better than ten per cent.

My suggestion would be -- it is not my motion to move, it is Mr. Pearson's. I think his wording of the resolve clause is exactly the way it should be, personally. It does not fix any per cent. It does say that we recommend an increase and I have confidence that the Minister will exercise his best endeavours. I, therefore, would just like to suggest that Mr. Pearson move that the "whereas" clauses be deleted and that the resolve part of the motion then stand as it is worded and we get on with it.

Motion To Increase Welfare Rates By Ten Per Cent, Withdrawn

THE CHAIRMAN (Mr. Stewart): Then, Mr. Pearson, you are prepared to withdraw the motion on ten per cent and leave the "now therefore" part of your motion and remove all the "whereas" clauses, is that correct?

MR. PEARSON: Yes. "Now therefore, I move that an increase be made in the welfare rates", is basically the motion but what I do say is that it must be, I think it has got to be ten per cent. So perhaps "not less than ten per cent".

HON. DAVE NICKERSON: Make it ten per cent.

Motion 4-63, Reworded

MR. PEARSON: Now, to show Members the amount of money we are talking about, the social assistance that we voted for last year, and I have no idea whether it has been used yet, I have no indication that it has all been used or it will be used, as it was budgeted, but it was set and we approved it in January at \$5,663,500. A ten per cent increase would be a half a million dollars so it is not a great hardship and I think that could be found and again, as I said, I have no way of ascertaining whether all of that money budgeted has been used, but not less than ten per cent. I mean I am very easy to get along with, not less than ten per cent. Okay, so therefore, Mr. Chairman the motion would be: Now therefore, I move that this Assembly recommend to the administration that an increase be made immediately in the welfare rates of not less than ten per cent.

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

SOME HON. MEMBERS: The question.

Motion 4-63, Carried

THE CHAIRMAN: The question being called. All those in favour? Opposed, if any? The motion is carried and I think that we can note unanimously. I did not see the hand of Mr. Butters but I heard an "agreed" so the vote is carried unanimously.

---Carried

Hon. Dave Nickerson.

Motion To Discuss Social Assistance Rates

HON. DAVE NICKERSON: Mr. Chairman, while we are on the subject of welfare rates, I would like to get the support of this committee for what I propose to do. This might take a little time, Mr. Chairman, but I think it will be worth it in the long run. If what I am doing does not meet with the approval of the Legislature then, in fact, I am wasting my time. What I would like to do is to read through the directive I have given to my staff, which has been approved in principle by the government. I would like to explain how far along the road we have got towards this and then I would like to move a motion supporting this. Do I have your permission to do that, Mr. Chairman?

THE CHAIRMAN (Mr. Stewart): I am at the will of the committee. Has the committee any objection to proceeding in this manner?

SOME HON. MEMBERS: Agreed.

---Carried

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

Revised Social Assistance Policy

HON. DAVE NICKERSON: The directive that I have given is as follows: On a number of occasions I have publicly stated that I would be presenting to the Legislative Assembly, at its January 1978 sitting, a revised policy concerning social assistance. I have said that I could foresee an increase in social assistance rates for deserving cases. That is just the food allowance part of the rates because the rates cover rent and utilities and a lot of other things, which automatically escalate with the increases in price and have gone up considerably over the last years some 25 to 30 per cent. To take into account increases in food prices since the rates were last reviewed and, also, the policy would be one to encourage self-sufficiency, that is something Mr. Whitford said, by taking a hard line with people who are capable of looking after themselves and their families but to whom easy access to welfare acts as a disincentive.

With an increase in rates of the magnitude outlined, I feel that people will be able to get by reasonably well. The rates will reflect that the Northwest Territories is not particularly well off and is likely to remain that way with the negative attitude towards economic development. They will be consistent with what the majority of people could make doing something else, if they were capable of that, and not be too high as to provide a serious disincentive.

It is my intention, by means of this memorandum, to outline some of the points and ideas which should be included in this policy. The list does not pretend to be exhaustive and the development of the full-scale policy will, of course, necessitate much expert input from the department. I would hope that once you have had time to think about this we could meet to discuss it in more detail. Also, I think we should aim at having the policy ready for review by the Executive Committee by the middle of November of this year. Financial implications of any proposed scheme will have to be incorporated within our various financial submissions. Any scheme we devise would have to be compatible with the Canada Assistance Plan and also our policy of allowing those municipalities, which wish to do so, to take over the responsibility for various social services.

Basically, I would like to see social assistance recipients divided into two categories, with a possible third which I feel should be dealt with very differently and which I will deal with later. The first category would be continuing recipients. These would be identified deserving cases of people whose situation is not likely to change in the short run and who, wherever possible, could be put on a "payroll" system to reduce administrative costs. Such cases would only have to be reviewed at infrequent intervals. It would generally include people whose reasons for being on assistance are, for instance, continued ill health or disability or a single mother with dependent children. It would not include "economic" welfare cases which presently account for about 40 per cent of our social assistance expenditures.

THE CHAIRMAN (Mr. Stewart): Hon. Dave Nickerson, we are having trouble in the interpreter's booth. Could you slow down, please. Do they have a copy of this?

HON. DAVE NICKERSON: I believe so.

THE CHAIRMAN (Mr. Stewart): Would you slow down slightly?

Food Allowance Scale

HON. DAVE NICKERSON: Yes. It will be necessary to review the food allowances scales presently in existence. This, at present, contains some glaring

inconsistencies; Fort Providence is too high and Sanikiluaq too low, which will have to be rectified. In the interests of simplicity there should be no increase in the number of scales which presently stands at five. I would prefer it if each region, Baffin, Inuvik or Fort Smith south, could have each of its settlements included in one scale so that nearby communities would have common allowances. While store bought goods are commonly a little less expensive in larger settlements, country food is generally more readily available in the smaller ones so the two balance each other out. I know from experience that, even in Yellowknife, it is possible to live both cheaply and well, if one foregoes the store bought luxuries and relies to a greater extent on fish and wild meat. Some communities such as Pelly Bay have very high prices but would not like to see their food allowances raised substantially above those in the neighbouring communities, Spence Bay or Gjoa Haven. It must be remembered that people live in these "hard to serve" communities by choice and it is hardly fair to expect the taxpayers to subsidize their existence, when it would be relatively easy for people to move a few miles to places where the cost of living is much less expensive.

Emergency Relief

The second category of social assistance, I would propose, is emergency relief. Payments in this category would include those made to transients. I think we should continue to take a very hard line with transients from outside the Northwest Territories and to people with short term medical problems and injuries, medical repatriation, funeral and similar expenses of a one shot or short duration nature. I would also include within this category nearly all our "economic" cases. I am unable to accept the idea that anyone who is physically and mentally capable of either taking on wage employment or making a living in the bush should be on welfare. I could see the taxpayers being prepared to loan people money to relocate to a place where jobs or game are more readily available, but surely they can not be expected to continually pay someone who is just not prepared to make an effort to look after himself. The present system, with its easy availability of social assistance, encourages people to take the attitude that they are not responsible for taking adequate precautions against any misadventures which might befall them, but rather that "the government' should see them through any minor, as well as major adversity. For instance, I know many people who make very good money while they are working but do not take the elementary precaution of saving part of their earnings, so that they will be able to weather a few weeks of unemployment. Once the money stops coming in, they immediately trot off to the welfare office. Emergency relief, in my opinion, should only be given where absolutely necessary; that is, someone coming out of hospital and not able to take up employment for a few days, should only be given an amount to last the recipient a number of days and, wherever possible, should be made available in the form of a loan, which we should be at pains to recover, rather than as a gift.

Repayment Of Social Assistance

On the subject of repayment of social assistance, I feel we still do not put enough effort into advising people that they are able to repay; a course of action which many recipients I feel would favour, as it would remove the stigma of being a "welfare case". There is some doubt in my mind as to whether or not it would be possible to come up with a workable formula for specifying the amount of emergency assistance in any one case, as we would do with continuing cases. Perhaps the best method would be to leave it to the discretion of the welfare worker handling the case, just specifying some general guidelines and a maximum daily amount.

The foregoing, I would suggest, could constitute the basis of a social assistance payments policy in most parts of Canada and should, I think, be the goal here. It does, however, overlook the predicament in which a number of our generally older indigenous citizens find themselves. I refer to those who could generally be classified as "victims of change", people who generally do not have the social skills and opportunity to avail themselves of modern means of livelihood, and who have not the wherewithal to either move from their accustomed location or change their mode of living. I can have a good deal of sympathy with many people in this category and yet social assistance does not seem to be the proper answer. I would have thought that the interests of these people would have been uppermost in the minds of the various native organizations, in their land claims negotiations with the federal government but, alas, these organizations only seem to be interested in playing politics and have little concern for the less fortunate people they supposedly represent.

Subsidized Subsistence Living

Symptomatic of some of these things are the continued demands for increased social assistance to buy gasoline and skidoo parts or the view of many people in the Rae area that they are, as a matter of course, entitled to "rations" regardless of their income. Obviously, the social assistance laws were not designed to meet this type of situation and we are only fooling everyone concerned when we give someone social assistance to buy gasoline, because he is deemed to be "too old to work". I think we have to be quite honest and distinguish between what is properly "social assistance" and what could be described as "subsidized subsistence living". In order to clean up our act on the former, our government could well develop a policy on the latter, complete with eligibility requirements, methods of payment, amounts of payments and everything else. This should obviously be done in close co-operation with hunters' and trappers' associations and local councils, etc. Such a program could, in order to demonstrate its separate nature from social assistance, be administered by a department other than Welfare and Social Services and it could encompass things such as hunters' and trappers' loans, etc., which are already in operation.

Difficulties over the cost sharing with the federal government of such a program would have to be overcome. Seeing that Mr. Justice Berger, in his notorious report, recommended a return to traditional economic pursuits, which everyone knows would not, by themselves, be able to support, in todays terms, even a bare subsistence living, we might meet with some degree of sympathy from the senior government. The more I think about it the more I realize, that this is really what many of my colleagues in the Legislature, from the rural areas of the Northwest Territories, desire and they view it as something quite distinct from "welfare". A policy of "subsidized subsistence living" would constitute a new approach to things and could have cost implication for the government, although a decrease in social assistance expenditures should result, and, as such, would have to be carefully examined by the Executive Committee before being put forward as government policy.

However, I have some reason to believe this type of thinking may correspond to that going on in Ottawa at the moment and it might not be looked upon as being too novel in approach. With the approval of the Executive Committee, I would like to present this concept to the Legislature in October for their comments and it would be helpful to have some preliminary figures at that time. These then are the main points which I would like to see contained within the policy to be developed. I know in many areas they correspond with the direction already being pursued and feel that they reflect the consensus of opinion within the Legislature. That, Mr. Chairman, was the directive given to my staff in July of this year, after I had spent a number of months thinking about this.

THE CHAIRMAN (Mr. Stewart): Thank you.

Rates Structure

HON. DAVE NICKERSON: There have been some developments from that date. We have developed a rates structure which I would hope to take to the Executive Committee at its next meeting. It was on the agenda for the last one, but it was not dealt with. This would reduce the number of rate zones to three. This was done on the basis of the study to which Mr. Pearson referred earlier, which was done by a firm of consultants. They pointed out the difficulty in comparing rates in various remote locations. The type of study they did was reasonable in accuracy for comparing places like Yellowknife and Hay River and Edmonton, but really did not make that much sense for Pond Inlet or Grise Fiord or Igloolik. The average increase would probably amount to a little bit more than the 25 per cent or 30 per cent I initially thought might do the job. Now I think that an average increase, I think it works out to about 38 per cent, might be more effective. In some parts of the country, notably the remote areas of Baffin Island, the increase would be a lot higher than that in effect.

At the same time I have been trying to persuade people to make the changes asked for by councils such as Pond Inlet. I would dearly like to see their views put into action. We support the ideas put forward by Mr. Whitford, that we do not really like to see welfare. We like to see people again fully employed. We would like to extend our services and physically locate people in the field in places like Rae and I think that we have made some progress toward the type of policy that I have outlined here. We have certainly already put a number of people on the payroll plan to cut down administrative costs and to prevent them having to go at regular intervals to the office. What I would like to do, Mr. Chairman, now, in order to give me confidence in what I am doing, is to move that this committee approve the social assistance rate policy contained in the letter that the Members have before them.

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

Further Study Required

MR. BUTTERS: I think my name is on your book from the other motion, Mr. Chairman. The policy presented here by the Honourable Minister of Health and Social Services is most interesting and it contains many, many new ideas, new directions. I assume that, as you have presented it today, it has the approval of the Executive Committee, of which you are a Member. The only thing I regret is that, since this approval was given some days ago or some months ago, the letter was written in July, we did not have it until a very few minutes before the close of our session. I am assuming that you had planned to seek support for this and that the Members from the Arctic communities have translations of this letter in syllabics.

However, I for one can not support the motion at this time because, as the Honourable Minister himself mentioned, he has given it months of study. This letter is the product of months of study by the Honourable Minister of Health and Social Services. I think I am delighted to have it in my hands. I would like to have an extended opportunity to examine it and some of the implications of the new concepts, which he is suggesting here. I think that an Executive Member, acting in the capacity he is, has a responsibility to seek out and evaluate and pursue new objectives and new directions and the Minister has obviously done this in this letter and is to be complimented for it. But, saying that, I would like to have the courtesy of a bit more time to study it and the implications of the concepts put forward here, before giving him the support that he is seeking. In not supporting this motion at this time it does in no way suggest I do not approve of or agree with the general principles that have been put forward by the Minister.

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

MR. PEARSON: I share Mr. Butters' views and concerns on this matter and I do take exception to a statement in it, even though it has a certain amount of truth. It would require me to study it for some time. The statement is on page two at the bottom: "It must be remembered that people live in these 'hard to serve' communities by choice and it is hardly fair to expect the taxpayers to subsidize their existence there, when it would be relatively easy for people to move a few miles to places where the cost of living is much less expensive."

With that kind of view I assume the Hon. Dave Nickerson would like everybody to move to Yellowknife, so it is a concept I just can not quite accept at this time. Having just received this, I appreciate the Hon. Dave Nickerson's concerns. I appreciate the Hon. Dave Nickerson's efforts in giving his department direction. I think that is a good thing. I think it is encouraging to see that Members of the Assembly, through various channels, can direct and will direct the policy of this government, but I would like to have some time with this one first. So I do not support the motion simply on those grounds.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Pearson. As we are rapidly approaching the hour, if we have not arrived at the hour, do I have permission to report progress at this time?

 $\mbox{HON. DAVE NICKERSON:}\ \mbox{ I presume that this committee will further reconvene to study the motion that was laid before it.$

THE CHAIRMAN (Mr. Stewart): Rather than report progress, I should have said break for lunch. My terminology was incorrect again, almost unparliamentary. What time do we reconvene? We will recess at this time and reconvene at 2:30 o'clock p.m. Hon. Arnold McCallum?

HON. ARNOLD McCALLUM: Mr. Chairman, I would just like to remind Members that the meeting will be at the Caribou Room at the Yellowknife Inn and there will be cars waiting to take us there. I would like after that to hold Members together for a very short caucus meeting. We should be finished the luncheon at 1:30 o'clock p.m.

THE CHAIRMAN (Mr. Stewart): Thank you. We stand recessed until 2:30 o'clock p.m. $\,$

---LUNCHEON RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. Prior to adjourning for lunch we were dealing with Motion 4-63, Increase in Welfare Rates in the Northwest Territories. We had unanimously approved an amended version and we were discussing the social assistance rates papers submitted by the Hon. Dave Nickerson. Are there any further speakers in this regard? Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, I can understand the sentiments of those Members and I speak specifically of Mr. Butters and Mr. Pearson who have indicated, I think quite rightly, that they really need some more time to look at the paper before they can give it the stamp of complete approval. I am wondering if this House could indicate in a less positive way that it agrees with the direction of the paper generally and the expression normally used for that sort of thing is approval in principle. I am wondering if those Members could not possibly give the paper approval in principle and maybe with the suggestion that it be brought back at the January session. Obviously it would be opportune at budget time for a more detailed discussion of the paper when presumably if the social assistance budget is approved then the paper would be approved in more detail. So, I guess I am wondering, Mr. Chairman, if Hon. Dave Nickerson might be prepared to accept instead of the motion he put, a motion that would give approval in principle of his policy which would still leave the detail of it open for further examination at, say, the January budget session?

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. David Searle. Basically at the moment the Chair does not recognize a motion being on the floor. I think it was just in comments that he would like the approval, but I do not believe he did it by way of motion and if he did, I did not accept it in that light. So I will accept a motion at this time, Hon. David Searle.

Motion To Approve Social Assistance Rates Policy In Principle

HON. DAVID SEARLE: Well, I would move approval of the social assistance rates policy in principle, leaving open for detailed debate that paper at the January budget session.

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

MR. BUTTERS: Mr. Chairman, I recognize that the Honourable Member from Yellowknife South is attempting to move things along expeditiously and with fairness to all. However, I am concerned at what I believe to be a new manner of introducing policy to this body. In the past the procedure that has usually been used, if I recollect correctly, is a recommendation to the Legislature. This has taken the form of a letter to the Executive, apparently which has been examined by and received the approval of the Executive Committee, but I would prefer to see the concepts that are contained in Hon. Dave Nickerson's letter formulated in the framework of the recommendation to the Legislature and that is what I would be willing to approve in principle is the recommendation. I have not had sufficient opportunity to study the letter, as I said before lunch, to look at the ramifications in some of these suggestions and some of them are very extreme. Mr. Pearson pointed out one, and that concept taken to its illogical conclusion is exactly what Mr. C.D. Howe said about dealing with the Inuit of the North, lodge them all in the Chateau Lacombe or the hotel in Ottawa I just forget the name now.

MR. PEARSON: The Chateau Laurier.

MR. BUTTERS: The Chateau Laurier, but I am being facetious, however, there are many, many things that have been raised in that paper and I still can not support giving Hon. Dave Nickerson's letter approval in

principle. I would like to have an opportunity to see your recommendation, a recommendation which I know has had full examination and study by the Executive Committee and then I would feel happier about giving such a recommendation or such a policy change in my support.

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

MR. PEARSON: Mr. Chairman, I have a question of Hon. Dave Nickerson. Has this paper in its entirety in fact been approved by the Executive Committee? Could we get a reply from Deputy Commissioner Parker on that?

Approved In Principle

HON. DAVE NICKERSON: It has been approved in principle, Mr. Chairman. This letter which you have before you was not drafted as a policy as such. It was instructions to my staff to tell them what type of policy I had in mind. Some of the points encompassed by it might not be fully workable. Apparently one of my initial suggestions for a percentage increase of 25 per cent to 30 per cent on further evaluation appears to be a little bit low and we may have to go a little further than that. The general views contained in it have been approved in principle by the Executive and the reason why I presented this to Members today is because the full policy has not yet been developed. I would hope that we might be a little bit further down the road by this date in time. Unfortunately that has not been the case, so in order to give Members something I thought it would be better to do this rather than to give them nothing at all and just rely on a verbal announcement.

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

HON. PETER ERNERK: Mr. Chairman, Hon. Dave Nickerson is correct in saying that this was approved by the Executive in principle, but I just want to say that I think it is open to some negotiations in order to produce some exploration with regard to this particular paper. I think it would be a good starting point to begin work on, this particular proposed directive. Perhaps the Members, if we are going to discuss it and I think we are, in January, but at this point they could make some of their comments or put together the comments for our January session. So I am in support of the motion.

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. Peter Ernerk. To the motion? Question being called. All those in favour? Mr. Kilabuk? All those in favour?

MR. PEARSON: Mr. Kilabuk has something to say.

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

MR. KILABUK: Mr. Chairman, the paper that Hon. Dave Nickerson has written, I do not think it is a little rushed at all; I think you just stated to us to think about it a bit more and maybe he has written a letter to me in the past concerning the increase in welfare. I think we should talk about this in 1978. We will be talking about it in 1978 and I do not think we should be in a rush at all to approve the paper. I support that we should talk about it in January and I am going to have a few comments concerning the subject and we will be talking about the welfare budget also in January, so I think it is a good idea to talk about it in January. Thank you very much.

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

SOME HON. MEMBERS: The question.

Motion To Approve Social Assistance Rates Policy In Principle, Carried

THE CHAIRMAN (Mr. Stewart): The question being called, all those in favour? To the motion. Nine. Contrary? Two. The motion is carried.

---Carried

Is there any further business under Motion 4-63? May I proceed to report progress to the Speaker?

SOME HON. MEMBERS: Agreed.

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

Report Of The Committee Of The Whole Of Motion 4-63, Increase In Welfare Rates In The N.W.T.

MR. STEWART: Mr. Speaker, your committee has been studying Motion 4-63. The motion has been amended to read: Now therefore, I move that this Assembly recommend to the administration that an increase be made immediately in the welfare rates of not less than ten per cent. This motion was carried unanimously in committee.

Further to that motion, the following motion was brought up in committee, that the Legislature approve in principle the social assistance rates policy, subject to further discussion of the details of this policy at the January budgetary session. This motion was also carried. I would move that these two motions be accepted.

MR. SPEAKER: Is there a seconder? Mr. Fraser. Question.

SOME HON. MEMBERS: The question.

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

---Carried

We have done Bill 2-63, Bill 3-63. Should we do the Private Member's Bill 5-63?

---Agreed

Mr. Fraser would be prepared to take the chair because the Private Member's Bill in question is Mr. Stewart's bill. Mr. Pearson.

MR. PEARSON: Mr. Speaker, with all due respect on a point of order, just referring to Bill 2-63, one point that I would like clarification on from the Executive is may I have the assurance that the interpretation into Inuktitut of the Wildlife Ordinance will be examined and reviewed and hopefully a simplified version translated into Inuktitut? There is a simplified version in English and I would ask that it be done in Inuktitut. It is essential, in fact.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker.

MR. SPEAKER: All right. Shall we resolve into committee of the whole for consideration of Bill 5-63?

---Agreed

This House will resolve into committee of the whole for consideration of Bill 5-63, a Private Member's Bill, with Mr. Fraser in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Private Member's Bill 5-63, Liquor Ordinance, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER PRIVATE MEMBER'S BILL 5-63, LIQUOR ORDINANCE.

THE CHAIRMAN (Mr. Fraser): I call the meeting to order. Bill 5-63, An Ordinance to Amend the Liquor Ordinance. The purpose of this bill is to amend the Liquor Ordinance to provide for the grant of licences in respect of fire hall canteens. Any comments of a general nature? Mr. Stewart.

MR. STEWART: Thank you, Mr. Chairman. I think probably more by way of explanation on this particular bill, probably the word "canteen" is being misunderstood by some of the Members. I think possibly an explanation is needed of what actually happens with regard to the operation of properly run fire halls. My honourable colleague, Mr. Pearson, made some very uncomplimentary remarks relative to the action of firemen. I would like to suggest to you that the fire department in Hay River does not react in that manner and would not be drunk when they were called out to a fire. But, rather, these canteen licences have been a matter of privilege in effect without actually having the licence. Really what happens is that after a fire practice the firemen retire to their hall which is part of the fire hall itself and in the summertime they have a beer or two and possibly after a fire would do the same thing after they had cleaned up their fire equipment and everything else. It is a matter of sitting down and relaxing a few moments and having a drink. In the wintertime it would probably be hot rum. The suggestion was made that there are certainly facilities in town that can look after this

I point out to you either after a practice or a fire the firemen are generally not clothed in a manner that would be acceptable for going to any of these places as they are usually wet, muddy and so on and so forth. As well, when they are reporting to a fire this could be 3:00 or 4:00 o'clock in the morning and indeed the temperatures could be 40 or 50 degrees below. This has been in practice in the town of Hay River as far back as I can remember, at least 20 years as far as the fire department was concerned. It has never come under question.

An Illegal Operation

However, the matter now, as I stated previously, the reason that this has been brought up is to allow this to become legal because the liquor control board has more inspectors in the field and they are checking on these things a little more closely.

Indeed they would not need a canteen licence if the fire department or the town was supplying the liquor free. However, this organization, although voluntary, they put in the 50 cents or whatever the cost is so that they supply themselves with their own refreshments and it is the transfer of this money that makes the operation illegal.

On this basis I would ask for your support in seeing that fire halls that are being properly run, not by a bunch of drunks, may be able to have the privilege I think they deserve as being volunteers doing many, many jobs in a municipality. They are the first ones called on in the case of any type of a disaster and to deny them a right that you would allow the RCMP to have, that you allow by your Liquor Ordinance military and quasi-military messes, then I think it is an injustice. Inasmuch as all of the fire halls come under the control of the municipality, certainly the councils of the municipalities would have the right to deny that privilege on their property if they felt it was being misused.

Secondly, you have also the protection of any misuse by liquor inspection so I do not see how this misuse concept as produced by my friend Mr. Pearson is really an argument. Thank you.

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

MR. PEARSON: Well, thank you, Mr. Stewart, for your explanation and for the clarification. I was under the impression that they wanted to drink before they went to the fire in case the fire engine froze up or something like that and they would have an additional source of firefighting equipment to be able to call on. However, knowing the capacity of some of these individuals, they could make quite a contribution to a large blaze. No, I am afraid I can not see it in my conscience to go along with it because of the problems and the ramifications I could see it causing in small communities where firemen would then be in a position to demand these kinds of facilities.

No one appreciates the firemen and their hard work more than I do. It is a pretty thankless job that they do but there are other ways for them to be able to participate in a liquid beverage either before or after a fire without making the premises of the fire hall a licensed facility which is what this would do. It may be fine in Hay River and under the terms of the existing territorial Liquor Ordinance they can get a special licence for special occasions. Perhaps that would suffice but I would be most reluctant to have to deal with in my municipality firemen who insisted upon a licensed canteen in the municipal building, a building which we do not own. It is owned by the territorial government and, knowing the question of liquor in the community of Frobisher Bay and in other Eastern Arctic communities, it would make things a little difficult. I think we have enough licensed premises and enough places for people to go and drink, in fact too many of them.

THE CHAIRMAN (Mr. Fraser): Thank you.

MR. PEARSON: I am thirsty.

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

Special Permits_

MR. STEWART: I do not know about the fires in Frobisher Bay but to get a special licence it takes 24 hours I think, or 48 hours. We do not have as much lead time as that to arrange to get a special licence so they could have a drink after they have cleaned up their mess at 3:00 or 4:00 o'clock in the morning. I can go a little further with regard to special permits. The situation that in part brought the thing to a head this year, there was a fire school held in Hay River at which all of the fire brigades of the Northwest Territories entered in a training session, where they brought people from outside and the fire marshal and so on were present from the Northwest Territories government.

In the matter of the fire departments, it, like every other organization, is allowed two permits a week I believe. This was for one week, so then that result was that they had to go to every other organization in town to get a licence in the name of the Legion and one in the name of the Elks and one in the name of the Kiwanis so that they could have a bottle of beer after the practices. That went on until 9:00 or 10:00 o'clock at night, thwarting thereby the law I presume because really the Kiwanis people were not holding it. It was the fire department but they too are restricted by the laws in effect. Certainly if a group as responsible as the fire department can not operate a canteen properly on their own premises, then, gentlemen, I suggest you have the wrong people involved in your fire department.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Comments of a general nature? Hon. David Searle.

Definition Of A Club

HON. DAVID SEARLE: Just a question directed to our Legal Advisor. I am wondering why the fire departments could not qualify for a club licence under the ordinance and I direct her attention specifically to paragraph 29(1)(e) and the definition section of "club" in paragraph (2)(e). You may want to take a minute to look that up and you may want to go on to some other Member for further comment and questions, but just looking at the ordinance and seeing the definition of "club" which means a social, sporting, community, benevolent or fraternal order or society, could not Mr. Stewart's firemen form a community club and apply for a club licence which permits the sale of liquor for consumption by members and guests? In other words, I guess I am wondering whether he really needs this amendment and whether his fire department could not under the existing legislation as a club obtain a club licence because essentially that is what a canteen licence is. It is for members and guests.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. While Ms. Flieger is looking it up, is there anybody else who wants to comment or are you ready to answer to that? Comments of a general nature? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, I have a question of the honourable gentleman from Hay River. As I understand from what I am reading here, it says "canteen licence for the sale and consumption of liquor in military and quasi-military messes and in the canteen facilities of fire halls."

I indicated yesterday I think that this would open up an opportunity for various fire halls within the municipalities. This was one of the reasons why I opposed this particular change in the Liquor Ordinance, simply because I thought at the time that, for example, Rankin Inlet being a hamlet would be able to get a canteen licence for their fire hall or things of that nature. Am I not correct in this matter, Mr. Chairman?

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

Village Council Controlling Factor

MR. STEWART: I do not pretend to be able to give technical advice of a legal nature of that type. I presume that that assumption would be correct, but you have the controlling factor that the village council owning the property and the fire hall could say whether or not a canteen could be put in there. It does not necessarily follow that it could, unless they had the blessing of the town fathers.

HON. PETER ERNERK: Mr. Chairman, in other words, any municipality or town council would have the control; a hamlet, village, town, city would have the control of this as to what they want to do when it comes to this type of situation. Is that correct, a settlement?

THE CHAIRMAN (Mr. Fraser): I could not hear you, Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, what I am saying is any municipality or hamlet or settlement or village or town or city council would have the control as to whether or not they would be prepared to give such a permit or licence to the establishment, such as quasi-military messes or facilities, canteen facilities or fire halls.

THE CHAIRMAN (Mr. Fraser): We will get the Legal Advisor to answer that for you.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, the opening words of section 29 are quite clear, that it is in the absolute discretion of the board. It is not up to societies or to the municipalities as to whether or not these kinds of licences would be granted, but...

THE CHAIRMAN (Mr. Fraser): Does that answer your question?

HON. PETER ERNERK: Yes.

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

Commissioner's Discretion

MR. PEARSON: I understand that the discretion is entirely in the hands of the Commissioner of the Northwest Territories as to whether the municipalities or settlements or hamlets may not grant a business licence to any establishment serving liquor, only the Commissioner may do so and so, and then again, the interpretation by the Legal Advisor is that the board has that power. Therefore, it follows that the municipality be it settlement, hamlet, village, town, city do not have the responsibility to issue a liquor licence to the firemen. Am I correct?

THE CHAIRMAN (Mr. Fraser): No, I do not think she said that. She will read it again.

MR. PEARSON: I go by the issuance of a hotel licence in a municipality. The village of Frobisher Bay, for example, the village council may not grant that licence and I have reason to believe that the Commissioner has the entire discretion on the issuance of a licence which is involved with liquor.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, the opening words of section 29 might be helpful if you would like me to read them: "Subject to this ordinance..." which would bring in all the other sections giving the power to bring in prohibition, for example, in a municipality: "Subject to this ordinance the board may in its absolute discretion upon receipt of an application therefor, accompanied by the prescribed fee, by order grant to any person in respect of specified premises, a licence of any of the following classes..." The kind of licences are a tavern licence, cocktail lounge, dining room licence and so on and then the canteen licence.

Now, that section would be subject to, for example, if a plebiscite has been held and the people had voted in favour of prohibition in the municipality or area, then I think that perhaps Mr. Pearson's view then would apply and no licence would be granted.

Permission Of The Licensing Board

THE CHAIRMAN (Mr. Fraser): Is that clear, Mr. Pearson?

MR. PEARSON: Yes, it is clear. Yes, that is clear but the village, a village may not grant a licence or a municipality of any sort may not grant a licence, that would be dealt with by the board. So it is wrong for us to assume that if the village decides, the city fathers as I think Mr. Stewart called the council, if they decide that they can have a canteen licence they can have one, but that is not entirely true. They, of course, would have to seek the permission of the city fathers and then the licensing board. Right?

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

MR. STEWART: Mr. Chairman, I did not intend to mislead my colleagues. All I was saying is if it was in a municipal building the first right of refusal would be by the local town council to say, "No, you can not have a canteen in our building." Then you would have to go through the normal board procedure. The reason why this is brought up is the fire department in Hay River has a letter from the liquor board refusing them a licence on the basis that they did not qualify because they were not a quasi-military mess. They were not RCMP and they were not civil defence. These three, any one of these three groups could get a licence, but being a fire hall they could not and that is the reason for the amendment, to allow them the choice of getting one.

MR. PEARSON: Thank you.

THE CHAIRMAN (Mr. Fraser): Further comments of a general nature? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, surely the question here is whether the addition of the term or of the terms "and in the canteen facilities of fire halls", allows a fire brigade to make application, only the right for them to make application. They may not get a licence regardless if the liquor licensing board does not want to give it to them, because that is what the words in section 29 say, "The board in its discretion may grant..." it does not say they shall grant. It simply allows them to make an application.

Mr. Chairman, could I then ask of the Legal Advisor, the interpretation as outlined by Mr. Stewart in the letter from the board to the fire brigade, it indicates that those other areas, RCMP, and the Emergency Measures Organization, are military or quasi-military canteens but nowhere in the present act are those terms defined. Is that simply an interpretation by the liquor licensing board?

THE CHAIRMAN (Mr. Fraser): Ms. Flieger.

LEGAL ADVISOR (Ms. Flieger): Yes, Mr. Chairman, that I think would be subject to their interpretation.

Interpretation By Liquor Licensing Board

HON. ARNOLD McCALLUM: Mr. Chairman, is Ms. Flieger then indicating that the liquor licensing board has the authority to interpret?

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, in applying their absolute discretion I think they are forced to interpret whether or not the group that applied is described in the section.

HON. ARNOLD McCALLUM: Thank you.

THE CHAIRMAN (Mr. Fraser): Comments of a general nature? Are there no more comments? Then we will go on to clause 1. Hon. David Searle.

HON. DAVID SEARLE: Coming back to my question, Mr. Chairman, I wonder if our Legal Advisor has had a chance to consider whether the fire department in Hay River or indeed anywhere else might qualify for a club licence? You know, it is important to me whether this legislation in fact does need to be changed.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, I think that the answer to that question depends on the meaning of the definition of "club" and I do not know very much about fire brigades, but it seems to me that most firemen today, I think, are paid in fact, and I think that they are not social, sporting, benevolent or fraternal. They might, however, be described as a community society, but my initial reaction would be that the definition of "club" does not describe what I understand to be a fire brigade. It would be necessary before they ever made application under that section to be incorporated as a society, I think, and probably it would depend on how they set themselves up. If they, for example, became a benevolent society, a brotherhood of some sort, they might fall within the definition, but they might not.

THE CHAIRMAN (Mr. Fraser): Thank you. Does that answer your question?

HON. DAVID SEARLE: No.

THE CHAIRMAN (Mr. Fraser): Let us hear from Mr. Stewart and then we can go into it a bit further.

Letter From Hay River Fire Brigade To Liquor Licensing Board

MR. STEWART: Thank you, Mr. Chairman. Possibly I should read this letter in its entirety from the fire department. It is addressed to Mr. Rod Douglas, chairman of the Northwest Territories Liquor Control Board, Yellowknife, re canteen licence for the voluntary fire brigade in Hay River, Northwest Territories.

"Dear Sir: Some time ago we made inquiries to the Northwest Territories Liquor Control System rethe procedure to follow in applying for a canteen licence for our club room in Hay River. We were advised by Mr. Christoph that it was impossible for them to grant us this licence for the following reasons:

- 1. We were not members of the armed forces.
- 2. We were not members of the RCMP.
- 3. We were not part of the Northwest Territories civil defence system.

"The first two reasons are indeed valid ones, however, it is our contention that all fire departments or brigades are a part of the civil defence system in that they are one of the first bodies of men, if not the first, to be called upon to serve the public in an emergency, that is, drownings, lost persons, earthquakes, riots, etc., along with the everyday task of providing the public with home and business fire inspections and fire protection for life and property.

"In all of this the record of the firefighters in the Northwest Territories is outstanding and it is a crying shame that we are so insignificant a group that we are not considered part of the civil defence system of the Northwest Territories.

"In short, we request that the members of the Northwest Territories liquor board do all in their power to have whatever regulations or ordinances that are required to be changed or made to have the firefighters of the Northwest Territories considered as part of the civil defence system. This will give all fire brigades whether paid or volunteer the right to have a canteen licence, the granting of which would rest on the merits of the individual fire brigade who so wish to make an application.

"We thank you for your time and trust that all members of the board will do their best on our behalf to rectify the situation."

There has been no reply and no action on that letter dated October 15th.

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

A Club Licence

HON. DAVID SEARLE: Mr. Chairman, I think that is probably a correct reply for an application for a canteen licence. My question, of course, is whether or not they could get a different type of licence entirely, that is, a club licence. I am thinking, you know, if they formed a community, social or fraternal society under the Societies Ordinance, they may well be able to do that. In any case, let me just leave it this way. If Mr. Stewart does not succeed, maybe we will form a society.

THE CHAIRMAN (Mr. Fraser): Comments of a general nature?

MR. STEWART: One comment prior to the question being called. I think the volunteer fire brigades in the Northwest Territories are performing a great service to us all and to put any impediment in their way of doing things on

a legal basis without tying them up where they have to form societies, what do you call that thing, incorporated and all the rest of it, keep books and do all of these things that are necessary under the Societies Ordinance, then I do not think we are treating them fairly. I think that they have a good case in point. I think they should be treated the same as the civil defence because in fact that is what they are. If civil defence has that right, then I think that this House would be wrong in deciding that they should not also have that same right. Thank you.

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

SOME HON. MEMBERS: Ouestion.

THE CHAIRMAN (Mr. Fraser): Clause 1. The question has been called. We were voting on clause 1. Agreed?

---Agreed

Short title. Agreed?

---Agreed

The bill as a whole. Agreed?

---Agreed

MR. PEARSON: Nay.

THE CHAIRMAN (Mr. Fraser): Do you wish me to report progress? I will report ready for third reading?

---Agreed

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

Report Of The Committee Of The Whole Of Bill 5-63, Liquor Ordinance

MR. FRASER: Mr. Speaker, your committee has been studying Bill 5-63 with no amendments and the bill is now ready for third reading.

MR. SPEAKER: Thank you. You should move that your committee report be adopted in formal session, adopted by the House.

MR. FRASER: Mr. Speaker, you wish that I report the bill for what?

 $\mbox{MR. SPEAKER:}\ \mbox{ Just move a motion that your report, the report of the committee of the whole be adopted.}$

MR. FRASER: I move a motion that the report of the committee of the whole be adopted.

 $\mbox{MR. SPEAKER:}\ \mbox{Is there a seconder?}\ \mbox{Question.}\ \mbox{All in favour?}\ \mbox{Down.}\ \mbox{Contrary?}\ \mbox{The report is adopted.}$

---Carried

Hon. Peter Ernerk, was it the National Health and Welfare proposal that you wanted to discuss?

HON. PETER ERNERK: Mr. Speaker, I had one to discuss, a tabled document on National Health and Welfare but I think it would be more acceptable to the committee if we could go on to the liquor pricing which is Recommendation to the Legislature 1-63, Policy Respecting Liquor Pricing.

MR. SPEAKER: This House will resolve into committee of the whole for discussion of Recommendation to the Legislature 1-63, 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 1-63, Policy Respecting Liquor Pricing, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE 1-63, POLICY RESPECTING LIQUOR PRICING

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study Recommendation to the Legislature 1-63, Policy Respecting Liquor Pricing, which

is found in the little book with the blue binding. Does everybody have their copy? Comments of a general nature? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, would it be possible if we would be able to bring in some witnesses?

DEPUTY COMMISSIONER PARKER: Assistant Commissioner Mullins is coming. He should be here in just a moment or two. He is here now. Mr. Chairman, this recommendation has been brought back as a result of a consideration of an earlier paper some months ago. This one has contained within it a number of tables showing the comparisons together with a proposal which the administration believes is in line with the motion that was passed when the Legislature in committee considered this matter. If we have your agreement, perhaps Assistant Commissioner Mullins could join us so as to give whatever detail is necessary.

THE CHAIRMAN (Mr. Stewart): Agreed?

---Agreed

We call on Assistant Commissioner Mullins please, to join us at the table.

DEPUTY COMMISSIONER PARKER: Could Mr. Wilf Chiasson come in too as the acting general manager?

THE CHAIRMAN (Mr. Stewart): Agreed?

---Agreed

Mr. Chiasson, please? Would one of the witnesses like to give us a quick rundown on this paper? Assistant Commissioner Mullins?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I would be happy to give a very brief rundown of the paper. The proposal that the administration has presented to Council contains what we believe to be a proposal implementing fully the motion passed at the last session of this body, concerning the removal of the implicit subsidy on the transportation of alcohol and beer.

MR. PEARSON: Hear, hear!

ASSISTANT COMMISSIONER MULLINS: Secondly, Mr. Chairman, it shows the impact of the application of the current mark-up rates which were in effect since May of 1974 but which were abandoned a few months ago, a year and a half or so ago with the implementation of the Anti-Inflation Board program, so what it does show is the impact of the percentage mark-up rates on the current landed costs of product in each location. If you would like to go into slightly more detail, Mr. Chairman, I would recommend that we start with the recommendations on page two. This will give a general outline of the framework in which we are working and then we can go through the tables which follow the recommendations.

THE CHAIRMAN (Mr. Stewart): Agreed?

---Agreed

Recommendations

ASSISTANT COMMISSIONER MULLINS: Recommendation (a) deals with the percentage mark-up table that represents the policy approved in May of 1974 and the basis of the percentage mark-up is to equate at the retail price level a price structure by which the actual amount of absolute alcohol costs about the same. In other words, if you take your standard brands of each product, you get about the same kick for each dollar from each product, having some which are cheaper than others.

Recommendation (b) is that the dollar mark-up would be calculated for each product and that dollar mark-up would then be applied to the landed cost of product at each outlet. Previously the landed cost at Hay River was determined, the percentage mark-up was applied to that cost level and that price level prevailed throughout the territories. What we are basically doing, if we follow this proposal, is to establish at Hay River on the basis of computations of Hay River landed costs a dollar mark-up for each product and then we apply that dollar mark-up at all locations. Just as an example, if the landed cost of beer is \$3.41 at Hay River, we will use 100 per cent mark-up and the mark-up for beer throughout the territories will be \$3.41 and that mark-up will be applied at all locations to the landed cost in those locations rounded to the nearest five cents. That is recommendation (c) which is rounded to the nearest five cents.

Percentage Mark-up Rates

If we go through the tables, Mr. Chairman, the percentage mark-up rates according to 1974 policy, and I explained the background to those, was in effect from May of 1974 until the introduction of the Anti-Inflation Board program. With the introduction of the Anti-Inflation Board program two changes occurred. For a period of time only the increase in landed cost was reflected at the retail level and then as a result of discussion by this committee earlier this year the prices were temporarily frozen until the price could be considered. So the mark-up for beer, according to policy, is now for regular beer, as an example, 100 per cent. Because of a freezing of the retail price at the moment and increases in costs the mark-up is in fact much lower than 100 per cent. The same is true for various of the other alcohol products which are sold through the liquor system.

On the back of the page dealing with the mark-up rates is an example as to how this policy would be applied in the situation of beer because beer is the product which costs the most to ship by air. It is a product which has a shorter shelf life than other alcohol products and it is the only product which is made available now in Cambridge Bay and Rankin Inlet for retail sales. This table shows that the extra cost of delivering beer to a number of communities by the sealift in comparison with truck to Hay River is between 35 cents and one dollar. The extra cost of getting beer in by air can be as much as four dollars a case and when prices are computed at the bottom of the page it shows what prices would be charged in various communities for beer if this policy were applied. The prices on this table have not been rounded at this time.

The proposal is to compute for each community the percentage of the product which goes in by surface or sealift and the percentage of the product which goes in by air and to sell the product at a blended price throughout the full year.

The following two tables, Mr. Chairman, show the landed cost of these products in the communities using the methods that I mentioned earlier for calculation. Finally, the final table, Table IV, shows the prices which would prevail for a selected list of products if the policy were to be implemented at this time. So, it is a fairly technical proposal, Mr. Chairman, and I would be happy to answer any questions concerning its application.

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

Retail Prices

HON. DAVID SEARLE: Mr. Chairman, I am looking at Table IV, the last page. I would be interested in the column in there that might have said what the current price would be if the policy were not implemented?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, if the policy were not implemented then the column giving the Hay River prices would represent the application of the policy throughout the Northwest Territories. In other words, right now we are pricing all products through all outlets at the landed cost at Hay River plus the mark-up and if we followed that policy alone without the difference between the various outlets the Hay River column would give us that price.

The second from the left hand column called "current price" shows the current price list of the liquor system which does not reflect increases in mark-up over the last six months or so.

HON. DAVID SEARLE: That is exactly the answer I figured I would get. Mr. Chairman, when you start getting five cents difference in prices between Yellowknife, Fort Smith and Hay River and ten cents in Inuvik, just looking at Canadian Club; Frobisher Bay, between Yellowknife and Frobisher Bay, 20 cents or 25 cents between Frobisher Bay and Fort Smith and Hay River, frankly it does not seem to me that we are accomplishing very much with that slight spread of prices. I frankly would have thought that they might have been a lot different than that and hence I wonder if it is really worth the effort.

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

Proposed Prices For Beer

MR. PEARSON: Mr. Chairman, the problem, of course, is not in the items that the Honourable Member has pointed out. The problem is in the area of beer and that is the main contention, because of the weight factor, the dose of alcohol you get from it. What bothers me and I am a little confused, in one column we see somewhere an increase, a considerable increase in the cost. For example, "Proposed Prices for Beer" on the second list and it is too bad these are not numbered, under "Proposed Prices for Beer, Community"; Inuvik, Cambridge Bay, Rankin Inlet, Frobisher Bay and Hay River and we see under "Average Price" Frobisher Bay \$8.12. Have you got that? It is \$8.12, "Proposed Prices for Beer" and when you flip over to what I assume to be the final table, Table IV, Frobisher Bay is \$7.30. Now, there is obviously almost a dollar or 80 cents or so difference there and what happens to that? What have you done, you naughty men?

THE CHAIRMAN (Mr. Stewart): One is bottled beer and one is canned beer, Mr. Pearson. The price of \$7.30 is for canned beer. Is that correct, Assistant Commissioner Mullins?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the display here shows two different alternatives; one, Table IV which Hon. David Searle and Mr. Pearson referred to shows the landed cost by sealift in all communities plus the mark-up which would be one option, to sell it by the sealift price. The other proposal is on the previous page but one, it shows the weighted prices and depending upon how the policy is recommended or approved either of those options could be endorsed.

An Option Of Two Items

MR. PEARSON: Mr. Chairman, the motion was very clear, that there be no subsidy or that the subsidy be removed and now we are getting an option of two items, one with a Subsidy and one without it. Am I correct? I am correct, okay. The motion was very clear, that there not be a subsidy and there is no subsidy on anything else. Do you know how much milk costs in Frobisher Bay? It is \$6.98 for three quarts and the freight on that is \$4.10. Is anybody arguing that? Here we are arguing over beer, and the motion was very clear, no subsidy, or call it what you will, price equalization or Assistant Commissioner Mullins had a nice term and I liked that a few minutes ago. But if that is the cost of the beer, that is the cost of the beer because that is the cost of the milk. Do you want some other prices? I will throw them at you: \$1.98 for a dozen eggs. Fantastic eggs, mind you. Fresh vegetables cost 1000 times more in Grise Fiord, did you know that, 1000 times more than what they cost in Yellowknife? They cost 1000 per cent, I beg your pardon, 1180.40 per cent more in Grise Fiord. Now, the motion was very clear and I made the motion and it was supported.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the recommendations that have been made are contained on page two and are totally consistent with the motion that was made and passed by this body. If we want to amend Table IV to correctly outline the impact of having a blended price, then the beer in cans for Inuvik would be \$8.35 rather than \$7.30; Frobisher Bay would be \$8.10 rather than \$7.30; Cambridge Bay would be \$8.65 rather than \$7.80 and Rankin Inlet would be \$9.75 rather than \$7.75.

MR. PEARSON: Assuming, Mr. Chairman, that they flew it in. Now, there is a cheaper way of getting it in there and that is by sea. In Frobisher for years the beer arrived by sea, all of it, and it was not flown in until recently in the last few years. In fact if it went skunky as it usually did at sealift time then it was put underneath the bulldozer and destroyed and in fact on one occasion they forgot to supervise this operation and the children of the woman who ran the liquor store got into the beer. There is no need to tell you what happened to them. These are realities of northern life, realities of living in the North and paying the prices for food and goods. We know what fuel oil costs in Pelly Bay. There is no subsidy on that. A private entrepreneur living in Pelly Bay would pay something like two dollars or three dollars a gallon for fuel oil.

HON. DAVE NICKERSON: They have not got any there.

Realities Of The North

MR. PEARSON: Who in his right mind would want any? That is the reality of opening a business there. Let us have a look, Mr. Chairman, at some other realities of the far frozen north. Fresh vegetables in Baker Lake cost 254.49 per cent higher than they cost in Yellowknife. That is a lot of money and you try and feed a family on that if you like fresh vegetables, that is. In Grise Fiord, Broughton Island, fresh vegetables are 600 per cent higher than they are in Yellowknife.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, I would like to give you as much leeway as I possibly can but we are studying a paper on the price of liquor.

MR. PEARSON: I know you are.

THE CHAIRMAN (Mr. Stewart): The odd comment relative to food I will accept but if you are going to give us a full rundown I will have to stop you because we are studying a paper on the pricing of liquor.

MR. PEARSON: There are some people who would consider the commodity we are discussing as food. I sure as heck do not and there are some people who would say it is more important that we have a subsidized price on beer than on milk. So, let us be realistic. If people want to drink they will pay for it. If they want to drink milk they will pay for it. If they want to eat ice cream they will pay for it. If they want to eat carrots they will pay for it. A pound of spuds costs 69 cents. As Marie Antoinette would say, "Let them eat beer, it is cheaper".

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

MR. FRASER: Mr. Chairman, I was just going to say we are talking about liquor and not food. Anyway, you stopped him before I did.

Canned Beer Versus Bottle Beer

I would like to ask the witnesses a couple of questions on liquor prices. We had down here bottled beer landed in Norman Wells at \$6.75 and we have at the bottom canned beer at \$7.15 which is a difference in price of 40 cents. For the last two or three years and maybe the witnesses have figures to this effect, the canned beer has been dumped out to the tune of thousands of cases because it does not keep like the bottled beer. Maybe I could be wrong, but bottled beer seems to last longer than the canned beer. I have had a lot of requests from my constituents that they would sooner have the bottled beer and here they have got it down as 40 cents cheaper but still they insist on sending canned beer, which like I said is dumped out every spring. If they were going to figure it, they must figure the thousands of cases that have been dumped out and it might be interesting for this Assembly to know. My question is: Why send beer that costs more and does not last as long as the bottled beer and save 40 cents a case on the bottled beer?

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins, would you like to bounce that one around?

ASSISTANT COMMISSIONER MULLINS: I wonder if Mr. Chiasson could answer that?

MR. CHIASSON: We have destroyed beer in Norman Wells on one occasion that I am aware of in my time. That was just this last year. The reason being it was a brand that was two years old that did not sell and it was canned beer. The statement is true that there seems to be more demand for bottles in the Norman Wells area now and we have taken that into consideration in our orders that went in on this sealift. We have sent more bottled beer this year than in previous years. I do not think we have sent more bottles than cans yet. Traditionally we sent cans because that is where the demand was, for cans, but this year again I mentioned that we have sent more bottles this year into Norman Wells than we have on any previous occasion. I do not have the current figure for what we destroyed there but it is correct we did destroy some beer in Norman Wells this year.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Fraser go ahead and then Mr. Butters.

Destroying Beer

MR. FRASER: Mr. Chairman, the amount of beer they destroyed last spring, I think the liquor inspector was right down there, Mr. Christoph, and we had a meeting with him at the settlement office and then we invited him up to the lounge for a beer and he could not drink it himself. It was all milky, but he went down to the liquor store the next day with a couple of witnesses and pulled out I think it was 12 cases from different locations in the liquor store and he could not find one that was bad. However, the motel buys their beer from the same place so I could not go along with that.

The year before when the beer went bad, they took the option rather than dump it, to send it to Fort McPherson where the people there would probably not know the difference. That is exactly what happened but I was in McPherson and I happened to be in McPherson later on that summer and I asked them how they liked the beer. I guess they got wind of it that this old beer was coming from Norman Wells, so they said they did not want it. Whether they got it or not I do not know but I do not think he knew either.

The year before there was beer dumped out. That is three years in a row they dumped canned beer out and I do not for the life of me see why they keep sending it in there when the bottled beer is cheaper. It does not make sense to me and bottled beer lasts twice as long as the canned beer so I can not see it.

I think I was talking to this gentleman right here last summer when I got a request from a bunch of the outlying settlements from the people of Norman Wells to request bottled beer. They shipped in place of it canned beer and made it quite clear to me that they were going to send bottled beer in but the barge came in with all canned beer and how many cases are they going to dump out this spring? They will probably dump 4000 or 5000 cases out again if it has gone bad, so I can not see why -- somebody else could maybe tell me why they do it, I do not know.

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

MR. BUTTERS: Mr. Chairman, although I did not support the motion of last summer, I do support the recommendation because this seems to be the general will of the Assembly.

MR. PEARSON: Hear, hear!

Relating To The Price Of Beer

MR. BUTTERS: However, I would like to clarify a couple of points and that relates to the price of beer because, as Hon. David Searle pointed out, the differences in the prices charged for hard liquor are negligible in comparison with the distances you move. For beer I notice that the percentage brought in to Inuvik by air was 76 per cent. I would suggest to you that if that price is firm based on those figures, then it will wreak a hardship because I doubt that we will be shipping any 76 per cent in by air this year. I think our consumption will be way down. As we know, the consumption in the Delta has increased over the last ten years, peaking probably last year and a lot of this is relative to the economic activity. This economic activity no longer exists and I think that the percentage by air this year will probably be about the same so it will be 50-50 and I am anticipating the costs will be projected on the actual balance and not the estimated balance as included here.

The second point is that probably a year from now the Dempster highway should be open and the bulk or all of the beer brought into Inuvik outside of barge will come by truck and that too should reflect a decrease in the price charged. Am I correct in both suppositions?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, Mr. Butters is correct in both assumptions. The amount of beer that was brought in to Inuvik in the 1977 sealift was a larger amount of beer than was brought in in 1976 so that even if the total consumption of beer does not change a higher proportion will have been brought in by surface. If, as Mr. Butters suggests, there will be a decline in consumption in Inuvik because of a concern in that community as well as a smaller number of residents, then very clearly the percentage brought in by surface would increase and the percentage brought in by air will decrease.

We have based our table here solely for illustrative purposes on the actual figures for 1976 and, if the Assembly so wished, we could do some forecasts which would take a look at this on what we would appear to have as the situation for 1977 and 1978. Also I think that Mr. Butters is correct in suggesting that the Dempster highway will be open and that link will be available to the residents of the Mackenzie Delta in a year or so.

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

MR. PEARSON: He was ahead of me.

Alcohol Pricing Policy

HON. DAVID SEARLE: Mr. Chairman, there are two things that bother me about the pricing here. The first one is the one already covered by a couple of the Members that the difference between the cost of beer which I believe has the lowest alcoholic content of any of the beverages really has the effect in some areas such as Cambridge Bay, Frobisher Bay, Inuvik, of encouraging people I should think to drink hard liquor simply because when you get a case of beer up around \$7.80 it makes more sense to buy vodka or something else at that point. So, it seems to be that policy doing the reverse of what we had rather hoped which was to encourage the drinking of beer or beer with less than the normal alcohol in it. I forget what that is called.

The other point that bothers me is the mark-up percentage of 150 per cent. I mean that in my view is where the scandal comes in. If I understand that policy, it works something like this. If you have a 50 cent increase in price, taking Canadian Club as an example, that government then adds on 150 per cent, in other words, it is 75 cents to maintain the 150 per cent mark-up and the price then is increased by \$1.25 starting out with a 50 cent wholesale increase so that that bottle which may have been selling for eight dollars is suddenly \$9.25 as a result of the 50 cent increase in wholesale cost. So the big winner again even in inflationary times is the government who for contributing not one nickel more of service or value to that product have picked up 75 cents. It would be different if they put 75 cents of worth in it somewhere along the way but for doing absolutely nothing they pick up another 75 cents. I do not mind them passing on the costs but when you start using figures of 150 per cent with any kind of inflation at all, you start getting prices so ridiculously out of proportion to value that, you know, you go down to the liquor store with these sorts of prices...

MR. PEARSON: It is enough to make you give up!

HON. DAVID SEARLE: Exactly, enough to make you give up. You know, there comes a time in inflation I think, when you stop looking at ridiculous markups of 150 per cent and drop your percentage back so that you maintain some semblance of judgment between what people can reasonably pay. Whereas in the past where the prices were reasonable at a wholesale level and 150 per cent did not mean that much, it is getting now to the point where it does mean a lot. I for one would suggest that we consider going back on all products to a 100 per cent mark-up, 150 per cent in my humble view is ridiculous. I mean you can see where pretty soon another 50 cent increase on those products, you are going to be \$12 for a bottle of rye or a bottle of scotch and that is just ridiculous. What you are going to do in my humble opinion, particularly on the highway system, you are going to encourage the importing of the stuff down the highway. In fact if I were at Hay River driving in and out of the territories regularly by highway, as a lot of people do in Hay River because there is only 100 miles of gravel now, I would never leave Alberta without having my trunk absolutely plumb full of wines, beer, and liquor. That is what you encourage with this kind of a stupid policy and certainly that is available for people in Yellowknife, Simpson, etc.

For my part, Mr. Chairman, I would like to get the committee thinking along the line of a more realistic percentage mark-up. My suggestion is to go down to 100 per cent in view of what is happening as a result of inflation.

THE CHAIRMAN (Mr. Stewart): Thank you. There is quite a bit of subject matter requiring an answer and I presume as the hour is past 4:00 o'clock p.m., that we recess for 15 minutes for coffee.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Stewart): We stand recessed for 15 minutes.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. Prior to the recess a few questions had been asked. Assistant Commissioner Mullins. Did you have any reply before I recognize Mr. Pearson?

Increased Revenue

ASSISTANT COMMISSIONER MULLINS: Mr. Stewart, I have very few specific replies because I think most of the statements made were in the form of supporting one position rather than the other, rather than asking questions. I know that people sitting at the witness table are not to be argumentative and I will try not to be. I might add that the concept of a policy for liquor pricing with six per cent mark-ups is a well established policy and practice in Canada and that, with respect to the question of inflation, Hon. David Searle is absolutely right. A 50 cent increase in price, with a 150 per cent mark-up, yields a 75 cent increase in revenue to the government.

The point I should make in helping to explain that system is that the percentage mark-up at the retail level, the percentage of price change at the retail level, is precisely the same percentage as the change in costs. So that once you have a policy in effect, the effect to the consumer is constant. If the cost of a product goes up by ten per cent, then the price of the product goes up by ten per cent. That is the same as in the retail business where a percentage mark-up pricing policy exists, be it the retailing of garments, where the mark-up might be 100 per cent, or the retailing of electronic equipment where the mark-up might be 50 per cent.

THE CHAIRMAN (Mr. Stewart): Hon. David Searle, do you have anything further you wanted to proceed with on this line?

HON. DAVID SEARLE: Yes, I do, Mr. Chairman. I think that Assistant Commissioner Mullins has put the case very well and, in fact, the very case I was making. The difference between what he was saying and what I was saying is slight and it is this. There is a policy of 100 per cent mark-up on certain things but I do not know anywhere where it is 150 per cent and that is exactly the point I was making. I think it should be 100 per cent at the most in these areas. For it to be 150 per cent there has to be a conscious policy type decision, I think, of what we are trying to dc and I think we should get back to that, to have this sort of mark-up, what is the philosophy? Are we trying to punish people who drink? Are we trying to discourage drinking? What is the policy we should be conscientiously or consciously approving, a mark-up of 150 per cent? Are we saying thereby that we are trying to discourage drinking, that we believe a high price does that?

Increase Will Not Solve Drinking Problems

This is the second phase, this particular paper, Mr. Chairman. You will remember a motion I made in committee of the whole and I think it was at the time of budget we discussed liquor prices. We got that first paper out of which arose Mr. Pearson's motion of not subsidizing the cost of liquor anywhere. Now we have this paper, we still have not, as a Legislative Assembly, addressed the basic question of what are we trying to do with respect to pricing policy. I do not believe that whether it is 100 per cent or 150 per cent or make it a 200 per cent mark-up, I do not believe that you do anything more or less than provide the government with additional revenue. I do not think you discourage people who have a drinking problem. People who have a serious drinking problem whether that bottle is two dollars or \$15, or whether they buy it from a bootlegger for \$20 or \$30, I do not think you discourage that person from drinking. He has got a problem and he is going to get it at whatever the price and he will do whatever he has to to get it.

The result is, however, when you make him pay an astronomical sum for a bottle, his kids will be dressed worse than they would have otherwise been. They will not get the snowshoes and a new parka this year and his kids and his wife at home will not get the food they should have. The big winner and the only winner as a result of this policy is the Government of the Northwest Territories.

MR. BUTTERS: Hear, hear!

HON. DAVID SEARLE: The other guy, because there are only two types of people, one who has a drinking problem and one who does not. Let us address ourselves to who does not have a drinking problem. After a certain price he will stop drinking these products, because he does not have a problem, he can drink or he can not drink. So you solve his drinking problem, the guy who does not have one; he stops drinking your products, but the guy who has a serious problem will continue to drink at an increasing social cost to him and his family.

It is for those reasons that I personally do not support this government's pricing policy of a 150 per cent mark-up. I think that liquor should be made available at reasonable prices in those areas where the people in the communities have exercised the option and have authorized through local option, have authorized the various types of premises that they choose to authorize. After all we have got liquor now in terms of community decision making at the very, very grass roots level. Each community now through option can impose restrictions. They can impose rationing. They can impose prohibition, but having decided in a community that they do not want prohibition, for instance, then why should the product not be provided in that community at a reasonable price. Why do we again start back where we have a community decision, the decision that there should be available liquor for sale in certain restricted outlets, why then in addition to that do we tax the product at this ridiculous rate of 150 per cent.

SOME HON. MEMBER: Hear, hear!

Community Decision

HON. DAVID SEARLE: With the community having made that decision, why do we not then honour that decision to the extent that we offer the liquor at a reasonable mark-up? In fact, let us get even more basic than that and ask the question, once the community has made that decision, why are we even in the liquor business at all?

HON. DAVE NICKERSON: Hear, hear!

HON. DAVID SEARLE: The answer to that question is because there is a few million bucks in it. That is why we are in it. If it is for the money, the tax dollars, because that is really what it is, it is a tax of 150 per cent. If that is why we are in it, then let us say we are prepared to tax the product at whatever the social costs. We want the money that bad and we are prepared to make the guy with the serious problem pay his \$15 or \$20 on a bottle regardless of the cost to his family. Surely we should be taking the other view. If there is a person with a serious problem we should not be taxing him at this level because the answer to his problem is not in the price. It is getting to him through some other worthwhile program and discouraging the serious drinking problem.

This is no more or no less than a fund raising scheme in my view. This solves no social problems and, indeed, contrary to what is decided at the community level, it imposes a horrendous price on the people. It was one thing in years gone by when the wholesale price was raised from time to time by a nickel, when 150 per cent then made a 13 cent increase, but nowadays when you are getting to 30 cents and 40 cents an increase and you are getting up to \$1.25 as net result, it is nothing more or less than gouging. I do not think that you can make a comparison with the private sector and I do not think anybody is making 150 per cent on their profit. The government and the government only is doing that. It is gouging and there is no other name for it.

Going back to the original purpose of this discussion, we have to decide why we have this percentage mark-up and, secondly, what it should be. I suggest it should not be 150 per cent, that it should be 100 per cent. I also suggest that when you start looking at the price of beer, the one product which is the workingman's drink, which should be a reasonable price, is totally out of proportion in isolated communities. Although I am not representing one of those communities, I would be concerned because that drives the workingman from beer into the hard liquor, as a reasonable alternative, even at hard liquor's inflated and exorbitant price. I do not think you are solving anything with this kind of philosophy.

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

MR. PEARSON: Well, Mr. Chairman, it is interesting to hear the Honourable Speaker and his views. I gather in listening to him that if we reduce the mark-up to 25 per cent on all liquor or remove it altogether, all the kids in the Northwest Territories would be better dressed and have more food. I really doubt that very much. I think that the price for liquor available in Yellowknife is commensurate with all the other commodities that are available and all the other prices. Perhaps it is still too cheap, because it is true to say that the higher the price the less people drink. There is no question about that.

In the case of the other view expressed by the Hon. David Searle that, if the beer is very high, then people will drink hard stuff, it does not make any difference. Two ounces of alcohol, whether it be in the form of whisky, vodka or beer, is still two ounces of alcohol and there is

absolutely no difference. You get just as plastered on that as you do on any other kind of alcohol. The mark-up is not entirely 150 per cent across the board. The range is from 150 through 105, 170, 100 per cent mark-up. It is obviously a tax earning item, by which the territorial government earns some \$6 or \$7 million in revenue. It is either that, I suppose, or a sales tax because Ottawa insists that there be some contribution. I would say again, compromising, that the administration has come up with generally a rough idea of what I intended in my motion originally.

Motion To Accept Table IV, Recommendation To The Legislature 1-63

Therefore, I would like to move that we accept the recommendations as on Table IV.

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins, I wonder whether I could clarify a point? Under Tia Maria on Table IV, should it be 105 or should it indeed be 150? Is that a typographical error or is that correct?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, that figure is correct. Imported liqueurs are taxed at a rate of 105 per cent.

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

Percentage Of Mark-up

MR. BUTTERS: Very briefly, Mr. Chairman, I compliment the Member from Yellowknife South on his very lucid explanation and presentation. I do feel that we are receiving the reply to two motions at once. One, the motion of the Honourable Member from South Baffin and two, the other which was Hon. David Searle's motion of a year ago. If we approve the motion that is before us now, we will be approving not only the differentiation or prorating of the cost of alcohol and beer, which Mr. Pearson has called for, and, as the Assembly approved at the summer session, but we would also be approving the rate of mark-up for liquor and beer as it applies to our whole system. I think that should be dealt with separately. I think it is a separate matter, as Hon. David Searle pointed out before, and I think he indicated he would wish to have that mark-up percentage dealt with separately. I dislike seeing the two of them lumped together.

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

MR. PUDLUK: Mr. Chairman, I would like to make a few remarks on what Mr. Pearson was saying. I disagree with what he was saying about the booze. He said if the price is higher there would be less drinkers, but I do not believe that. If the price goes up too high, they will still make homebrew. That is very dangerous, very serious. I know that. I have seen it. If liquor is not available, they will start using homebrew. That is all I have to say right now.

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

HON. DAVE NICKERSON: I was just going to summarize the various arguments to date, Mr. Chairman. It seems the position of my colleague from Yellowknife South is free beer for all the workers and that of the Honourable Member from South Baffin, free milk for all the babies.

MR. PEARSON: Hear, hear!

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

MR. LAFFERTY: Just to enlarge on Hon. Dave Nickerson's comments, the more drunks, the more babies!

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

MR. PEARSON: Mr. Chairman, I have a motion on the floor. I wonder if we could have the question, that we accept the Recommendation to the Legislature 1-63.

THE CHAIRMAN (Mr. Stewart): There are two choices in the recommendations. Which are you recommending?

MR. PEARSON: Table IV of the recommendations.

THE CHAIRMAN (Mr. Stewart): To the motion, Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, I propose to vote against it. I encourage Members to do that too because I think, as Mr. Butters has said, we should separate the pricing policy, pursuant to Mr. Pearson's motion, from the question of what the percentage mark-up should be. If this motion of Mr. Pearson's is defeated, I would then propose to move a motion dealing with the percentage mark-up.

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion to accept Table IV of Recommendation to the Legislature 1-63?

SOME HON. MEMBERS: Question.

Motion To Accept Table IV, Recommendation To The Legislature 1-63, Defeated

THE CHAIRMAN (Mr. Stewart): Question being called. All those in favour? Three. Opposed? Four. The motion is defeated.

---Defeated

MR. PEARSON: It is unfortunate that other Members are not in the House so that we could have their co-operation.

THE CHAIRMAN (Mr. Stewart): What is your direction, gentlemen? Hon. David Searle.

Motion Recommending The Executive Reconsider The Percentage Mark-up

HON. DAVID SEARLE: Mr. Chairman, I would like to move that this House recommend to the Executive that it reconsider the percentage mark-up by way of a reduction, so that it would be in the area of 100 per cent, rather than the 150 per cent indicated.

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

DEPUTY COMMISSIONER PARKER: Do I gather from Hon. David Searle's motion that he is suggesting recommending, that the mark-up on spirits then would be 100 per cent and others would be adjusted by approximately 50 per cent? Is that what he is suggesting? I hope he is not suggesting an even mark-up across the board because we would be right back again then to the case where some products would be viewed as very cheap and some as very expensive, from the standpoint of alcohol content.

HON. DAVID SEARLE: Mr. Chairman, the reason I put it in the form of a recommendation that they consider the reduction, I am concerned essentially, if you look at Table IV, with the price of liquor where you see the mark-ups of 150 per cent. I agree there is a wine somewhere in here, the fortified wines, where there is a substantial...

HON. DAVE NICKERSON: Cooking sherry.

HON. DAVID SEARLE: Is it cooking sherry? I would not propose to touch that. There is some that is about 200 per cent in what would otherwise be so low that all of the people with very, very serious problems are drinking that. Essentially I am concerned with the liquor.

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

Pricing Policy

MR. PEARSON: Mr. Chairman, I would certainly oppose the Hon. David Searle's motion. I think it is incredible that we would be at this time, in the Northwest Territories, considering an actual reduction in the price of alcohol in the liquor stores. It is just incredible that this Legislative Assembly would swallow hook, line and sinker the Hon. David Searle's views on the pricing policy. Even though the motion has not been put, we are talking about bingo and others of these wonderful delicacies that are available in the liquor store at very low prices. We are now going to go back to the government and ask them to redo the whole thing and it will still come out on exactly the same basis. Ottawa is going to be screaming we are not making any contribution to the taxes of this country. I do not know how the Hon. David Searle can justify it. However, we all have our day in court so the motion is put. I will not support it. I think it is utterly ridiculous.

THE CHAIRMAN (Mr. Stewart): To the motion? Hon. David Searle.

HON. DAVID SEARLE: I have on occasion not agreed with the motions put by Mr. Pearson but I have never suggested they are utterly ridiculous. They just happen to represent his view to which he is entitled, as I am sure I am entitled to my view.

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Stewart): Question being called. Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I recognize that the motion is for consideration, it is a recommendation to the Commissioner and I am confident the Commissioner will seek the advice of the Executive Committee on this. There is no question but what this will cause very, very serious discussions and it presents a grave difficulty because we have, in our fiscal framework, a requirement built in to raise a certain amount of money. I have not heard anyone talking about another method of raising that money that would need to be replaced. If the motion passes, as I see it, at the very least the Commissioner is constrained from meeting the increases in liquor prices as they come along. No, I withdraw that. I see the point, the mark-up would be applied to the actual prices, of course. Well, I am back to my original point that you would be removing from the administration a portion of revenue and making no recommendation for its replacement.

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

HON. DAVE NICKERSON: I do not want to say anything on the substance of the matter, Mr. Chairman, but things being what they are, it would be very advantageous if this Legislature could give direction to the Executive, recommendations which were supported by the majority of the Members. The last vote was 50-50. I did not vote on that because I was thinking of something else at the time. I should have done and I should have supported the Executive position and then it would not have been a 50-50 vote, but that is not the way we would like to operate. If it is very close, we would hope that this matter could be discussed until there is some kind of clear indication what it is that people really want.

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

SOME HON. MEMBERS: The question.

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

Method Of Raising Revenue

MR. PEARSON: One of the questions that is going to arise very soon is that, if we can not raise money, contributions to the over-all territorial picture through the pricing of liquor, how will we do it? There will be another bill for third reading today, the taxation bill, which I will vote against on principle. I would not be half surprised if that thing passed and I can see them down in Ottawa saying, "Okay, you guys, you will not make a contribution through your liquor bill so you are going to make it through income tax". We, the Legislative Assembly, are going to impose income tax on all the people in the Northwest Territories to support those people who drink and there are some 90 per cent of the people I represent who have never had a glass of alcohol in their lives.

THE CHAIRMAN (Mr. Stewart): What size of scoop shovel are you using now, Mr. Pearson? Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, we are down to the real reason for the price of liquor. Because of the amount of money it raises and contrary to what Mr. Pearson is saying, I submit the other has been the case. As the liquor has been taxed at this level to provide the government with this kind of revenue, it seems to me, instead of continuing this policy which does not have a single social redeeming feature, if we do need additional revenue maybe we should be raising income tax. At least everybody is paying for the services then that everybody is receiving, rather than this form of discriminatory tax, which seems to me makes a tremendous hardship on a few people.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would not like to leave the impression in Members' minds that the raising of funds through the operation of the liquor system was the sole reason for the pricing policy, because that simply is not the case. We have responded to a series of recommendations and studies and reviews from people, seemingly knowledgeable in the field of control of alcohol and each of those has indicated that one of the elements of control of consumption is price. So there is no question but that the pricing structure is used as a means of raising revenue in the Northwest Territories, but equally important, it is used as a means of controlling consumption. Now, that is a field in which it is practically impossible to prove the point, the relationship between price and consumption, although there are those who claim that there is a direct relationship and I believe they claim that it can be proven. Both elements exist in the pricing structure.

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

HON. DAVID SEARLE: I agree with Deputy Commissioner Parker. There is a relationship between price and consumption and this is what it is. The people who do not have a problem stop drinking it after a certain price. The people who do have a problem, continue to drink it and they are the ones who can not afford the price.

Motion Recommending The Executive Reconsider The Percentage Mark-up, Carried_

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion? The motion as I have it: I move that this House recommend to the administration that it reconsiders the percentage mark-up on liquor from 150 per cent to something in the vicinity of 100 per cent. Is that motion correct, Hon. David Searle?

HON. DAVID SEARLE: I agree.

THE CHAIRMAN (Mr. Stewart): Are you ready for the question? The question being called. All those in favour of the motion? Five. Opposed? Four.

MR. PEARSON: Some of those people over there did not vote, sir.

THE CHAIRMAN (Mr. Stewart): Opposed, again? Five. Oh, dear.

 $\mbox{MR. PEARSON:} \ \mbox{A very clear indication on this one again, Mr. Chairman.}$ The House is unanimous on its views on this one.

THE CHAIRMAN (Mr. Stewart): On the basis of the motion as it is presented and in that it is a recommendation I will vote for the motion. The motion passes.

---Carried

MR. PEARSON: Just a thought, sir. May I express a thought? It may be that perhaps a compromise could have been reached. It is a bit late now, perhaps, but it is the Hon. David Searle's view that the drinkers are overtaxed and that there be a reduction on beer, a substantial reduction on the mark-up on beer and less of a mark-up on spirits.

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

MR. PEARSON: I would like to move that that be an additional recommendation, perhaps. It is in keeping with the thought expressed by the Hon. David Searle that the mark-ups are too high and I wonder if we could not also recommend that there be some consideration given to this?

THE CHAIRMAN (Mr. Stewart): Fine, Mr. Pearson, if you could come forward with a motion I would be pleased to accept it.

MR. PEARSON: I am sorry, I did not hear you.

THE CHAIRMAN (Mr. Stewart): I said I would be pleased to accept the motion if you could put it by way of a motion.

Motion Recommending The Administration Consider Reducing The Mark-up On Beer

MR. PEARSON: I move that this Assembly recommend to the administration in their considerations that they look at the possibility -- that they consider the possibility of reducing the mark-up on beer substantially, to offset the cost of spirits.

THE CHAIRMAN (Mr. Stewart): Just one moment until I get your motion. To the motion?

SOME HON. MEMBER: The question.

THE CHAIRMAN (Mr. Stewart): I would like to read the motion so I know what your motion is on paper.

MR. PEARSON: Yes.

THE CHAIRMAN (Mr. Stewart): The way I have this motion at the present time reads as follows: I move that this Assembly look to the possibility of reducing the cost of beer substantially, to offset the cost of spirits. I assume that the word "Assembly" should be "administration"?

Motion Reworded

MR. PEARSON: I think the word "recommend" was thrown in there somewhere too. "I recommend that this Assembly recommend that the mark-up on beer be reduced substantially." The result being, the mark-up on beer would go down 50 per cent and the mark-up on spirits would only go down a small proportion, ten per cent perhaps, so it would reduce the cost of beer, as the Hon. David Searle says, the workingman's beverage.

THE CHAIRMAN (Mr. Stewart): I wonder if you could take the time to write out your motion, Mr. Pearson, so we could have what you want? It is obvious that we do not have it here. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, if I may say so, we can not vote on the same thing twice, so Mr. Pearson's motion surely has to stand on the basis of it being different from the previous one and the previous one dealing specifically with the price, reducing the mark-up from 150 per cent to 100 per cent obviously dealt essentially with the price of liquor. If he wants to make another motion with respect to the price of beer which is already at that 100 per cent that is up to him and I support him in that, but it can not in any way affect the previous one because that motion was won. We can not entertain the same motion on the same subject in the same session as I understand it.

Motion Withdrawn

MR. PEARSON: I withdraw the motion, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): The motion has been withdrawn. Hon. Dave Nickerson.

HON. DAVE NICKERSON: Sir, apparently the recommendation as put forward by the Executive is not acceptable to this committee. I would like Members to think about a different approach to the pricing policy which might make sense and maybe could be dealt with in greater detail at the next session. To me we are to a certain extent confusing two different functions. One, the taxation function by which we raise revenue and try to discourage consumption.

Wholesale And Retail Liquor Outlets

The second function is the normal wholesale and retail function. Maybe we should consider the possibility of operating a wholesale and retail liquor outlet along the same lines as someone in private business would. That means that we would operate them such that they recover the costs, all of the costs involved, transportation costs, purchase price, the costs of operation and overhead costs. To that add a reasonable kind of profit margin, ten, 15 or 20 per cent, whatever the growing rate is in the general liquor business. That is one thing.

The third thing is taxation which, in my mind, should be dealt with very differently. I think the operation side could be very much left up to the Executive, but the taxation part of it is something which, as all taxation, should be controlled by the Legislature. I would prefer from our point of view and I am now speaking as a Member of the Assembly, what we should be deciding on is the taxation we are to levy on each bottle of liquor, wine and beer and maybe we could look at it from that point of view, rather than combining the two functions. Whenever we have tried to do this in the past we have always gotten mixed up in the same kind of difficulty and never have been able to give the government clear direction as to what it is that we really want.

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. Dave Nickerson. What is the direction of this committee?

MR. PEARSON: Report progress.

THE CHAIRMAN (Mr. Stewart): Is it your direction to report progress at this time?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Recommendation To The Legislature 1-63, Policy Respecting Liquor Pricing

MR. STEWART: Mr. Speaker, your committee has been studying Recommendation to the Legislature 1-63, Policy Respecting Liquor Pricing. Out of this committee, the following motion: I move that this House recommend to the administration that it reconsider the percentage mark-up on liquor from $150\,$ per cent to something in the vicinity of $100\,$ per cent. This motion was carried. The other recommendation of the committee was to report progress at this time. I move that these recommendations be accepted.

MR. SPEAKER: Seconder? Question? All in favour? Down. Contrary? Carried.

---Carried

Gentlemen, it has just been brought to my attention that there may be some Members who plan to leave tomorrow and we may have difficulty in getting a quorum if we are not careful. I do not know what the plans of individual

Members are to leave, because they tend to make them without necessarily seeing if there are still going to be eight others in the House. I can tell you I will be here if we do not finish the business of the House, but, in that we do need a quorum of eight, I am wondering if we would not be wise to go to Item 11 and do third reading of bills. If we do not have a quorum, we at least have that done and, before we leave this evening, to assent to bills and then we can go back into committee of the whole to finish the information items for the balance of the afternoon. Is that agreed?

---Agreed

ITEM NO. 11: THIRD READING OF BILLS

Going to third reading of bills, Mr. de Vos, do you have the legislation? Bill 1-63, An Ordinance Respecting Income Tax. Hon. Dave Nickerson.

Third Reading Of Bill 1-63: Income Tax Ordinance

HON. DAVE NICKERSON: Mr. Speaker, I move that Bill 1-63, An Ordinance Respecting Income Tax, be read for the third time.

MR. SPEAKER: Seconder, Hon. Arnold McCallum. Discussion?

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question being called. All in favour? Down. Contrary? Third reading is carried.

---Carried

Bill 3-63, Supplementary Appropriation Ordinance, No. 2, 1977-78. Hon. Dave Nickerson.

Third Reading Of Bill 3-63: Supplementary Appropriation Ordinance, No. 2, 1977-78

HON. DAVE NICKERSON: Mr. Speaker, I move that Bill 3-63, 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 third time.

MR. SPEAKER: Is there a seconder? Hon. Arnold McCallum. Discussion?

SOME HON. MEMBERS: Question.

 $\mbox{MR. SPEAKER: Question being called.}$ All in favour? Down. Contrary? Third reading is carried.

---Carried

Bill 4-63, Metric Conversion Ordinance, 1977. Hon. Arnold McCallum.

Third Reading Of Bill 4-63: Metric Conversion Ordinance, 1977

HON. ARNOLD McCALLUM: Mr. Speaker, I move that Bill 4-63, An Ordinance to Facilitate Conversion to the Metric System of Measurement, be read for the third time.

MR. SPEAKER: Is there a seconder? Hon Peter Ernerk. Discussion?

SOME HON. MEMBERS: Question.

 $\mbox{MR. SPEAKER:}$ Question being called. All in favour? Down. Contrary? One. Third reading is carried.

---Carried

Bill 5-63, An Ordinance to Amend the Liquor Ordinance, a Private Member's Bill. Mr. Stewart.

Third Reading Of Private Member's Bill 5-63: Liquor Ordinance

MR. STEWART: Mr. Speaker, I move that Private Member's Bill 5-63, An Ordinance to Amend the Liquor Ordinance, be read for the third time.

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

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question being called. All in favour? Down. Contrary? One contrary. Third reading is carried.

---Carried

Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, may I have unanimous consent to go back to Item 6, notices of motion?

MR. SPEAKER: Agreed?

---Agreed

ITEM NO. 6: NOTICES OF MOTION

Notice Of Motion 16-63: Appointments To Workers' Compensation Board

HON. ARNOLD McCALLUM: Mr. Speaker, I give notice today that I would like to move a motion recommending to the Commissioner the appointment of people to the Workers' Compensation Board.

MR. SPEAKER: Hon. Arnold McCallum, I assume you want to go to Item 8, motions?

HON. ARNOLD McCALLUM: Yes, Mr. Speaker.

MR. SPEAKER: Unanimous consent to proceed to Item 8, motions, agreed?

REVERT TO ITEM NO. 8: MOTIONS

Motion 16-63: Appointments To Workers' Compensation Board

HON. ARNOLD McCALLUM: Thank you, Mr. Speaker.

NOW THEREFORE, I move that this House recommend to the Commissioner that the following people be named to the Workers' Compensation Board, Mr. Leonard Cardinal of Inuvik, Mr. George Tikkanen of Yellowknife, Mr. Applewhite of Fort Smith.

MR. SPEAKER: That is George Tikkanen of Yellowknife?

HON. ARNOLD McCALLUM: Yes.

Motion 16-63, Carried

MR. SPEAKER: Hon. Peter Ernerk. Discussion? Question being called. All in favour? Down. Contrary? Motion carried unanimously.

---Carried

Item 12, assent to bills, Deputy Commissioner Parker.

ITEM NO. 12: ASSENT TO BILLS

DEPUTY COMMISSIONER PARKER: Mr. Speaker, as Deputy Commissioner of the Northwest Territories acting in the absence of the Commissioner, I assent to Bill 1-63, Bill 3-63, Bill 4-63 and Bill 5-63.

MR. SPEAKER: Thank you, Deputy Commissioner Parker. Gentlemen, what is your wish? We have 15 minutes until the normal break. Shall we recognize the clock and come back tomorrow? You know, the problem is we would come back tomorrow at 2:30 o'clock p.m. Do we have an indication of the Members who will not be here to see if we have a quorum. If we do not have a quorum tomorrow, we may as well know it now and simply direct that the matters outstanding be placed on the orders of the day in the January session. There is no point in six or seven of us showing up tomorrow.

What Members here now will likely not be here for 2:30 o'clock p.m. tomorrow? Four Members. That would leave seven including myself. We need eight for a quorum. Gentlemen, it seems to me, as far as I can see, we have a few information items which I think for the most part were put on by Mr. Butters. I wonder if we should not simply agree to put them on next session and simply go on to Items 13 and 14. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I was going to suggest we go on to health matters, the transfer of health to the Northwest Territories from the Department of Health and Welfare. It might only take ten minutes to discuss and we might make some suggestions, as an Assembly, to the federal government.

MR. SPEAKER: Do Members wish to go back into committee of the whole to deal with that one matter? Agreed?

---Agreed

REVERT TO ITEM NO. 10: 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 Tabled Document 5-63, National Health and Welfare Proposal for the Transfer of the Delivery of Health Services to the Northwest Territories Government, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Tabled Document 5-63, National Health and Welfare Proposal for the Transfer of the Delivery of Health Services to the Northwest Territories Government.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER TABLED DOCUMENT 5-63, NATIONAL HEALTH AND WELFARE PROPOSAL FOR THE TRANSFER OF THE DELIVERY OF HEALTH SERVICES TO THE NORTHWEST TERRITORIES GOVERNMENT

THE CHAIRMAN (Mr. Stewart): Will the committee come to order? Will the committee come to order to study Tabled Document 5-63, National Health and Welfare Proposal for the Transfer of the Delivery of Health Services to the Northwest Territories Government. It is found in your big black book. Are there any witnesses that you wish to call? No witnesses. Mr. Minister, would you like to give us a precis of this?

Transfer Of Health Responsibilities To N.W.T.

HON. DAVE NICKERSON: For a considerable time now, Mr. Chairman, we have been trying to get some from of commitment from the federal government as to when the remaining provincial-type health responsibilities would be transferred to this government. We have made certain headway in this and we were pleased to receive, a couple of weeks Or SO ago, this discussion paper put forward by the then minister of Health and Welfare, the Hon. Marc Lalonde. Out of all the difficulties which one might associate with such a transfer, there only seems to be one real issue in the mind of the federal minister and that is their concern with what they take to be federal responsibility for the health of Indians and Eskimos. Everything else could be accomplished in very short measure with no great amount of difficulty. Just reading a few of the more pertinent items on the discussion document, you will note where it says: federal government has also made a firm commitment to the native organizations to have consultations with them on matters of significance." What it proposes to do in this regard is to enter into a contractual arrangement with the Northwest Territories Government for the delivery of health services to the natives of the Northwest Territories on behalf of the federal government, which will retain full responsibility for the Indian and Inuit health program.

The federal position is that, were this proposal to be carried out, it would not prejudice in any way any future land claim negotiations and, of course, that is our position. We see no connection between this and any land claim negotiations. The federal government in their paper say that, as we do also, in order to be effective and efficient the health delivery system in the Northwest Territories must be one that is fully integrated. The present situation we have right now is kind of crazy from the administrative point of view.

What their proposal is and how it differentiates between what we might have considered to be the normal way of doing things is that for each of the zones, Inuvik, Keewatin, Baffin and Fort Smith, would wish to establish a board. This board would act in an advisory capacity to the federal government on matters relating to native health. One of the prime reasons

for their existence would be to make recommendations to the federal government as to what should be contained in the contract, which the federal government will negotiate with the territorial government on an annual basis regarding our delivery of services as an agent of the federal government to Indians and Eskimos.

Federal Employee On Board

You can read into this proposal a certain reluctance on the part of the federal government to really relinquish a good deal of control. They propose that on each of these regional boards they would appoint and pay for the federal government employee of the board and he would not be an employee of the board, he would be a full time worker for that board but actually he would be paid by the Department of National Health and Welfare. So, depending on how they wished to use people in this position, it might be that certain difficulties would arise. I do not think that this is necessarily the intention of the federal government, but there are certain difficulties we can foresee. The points four and five on the document that the federal government has given to us are things that we agree with also and there is no trouble accepting. In fact, it is something that we want to do very much and are in fact doing at the present time.

I have gone over this very briefly because I know the hour is approaching 5:30 o'clock p.m. I have outlined what this says and some of the difficulties that might arise from it. My personal meetings with the Hon. Marc Lalonde and some of his senior staff lead me to believe that they are adamant that some form or some mechanism similar, if not identical to these regional boards, will have to be established if transfer is to take place. They are adamant on that and there is no way that we can persuade them that we will provide proper medical attention for Indians and Eskimos. They do not believe that. They think that they have to retain that responsibility. So what the Executive is looking for in bringing this document to this committee is some form of indication of what the Members think about it, whether they think that we should proceed with it, whether they have reservations about it or exactly what the Members think the approach of the government should be on this matter.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Minister. Further comments on Tabled Document 5-63? What is the direction of this committee? Do we accept the document as presented?

SOME HON. MEMBERS: Agreed.

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

HON. DAVE NICKERSON: Mr. Chairman, I am not sure what it means when you say you accept this document. Does it just mean that you take it as notice or do you wish us to proceed strictly along these lines, or are you saying to the Government of the Northwest Territories, "We have looked at the document and we hope that you will carry on negotiations with the federal government in the manner that you think best"?

THE CHAIRMAN (Mr. Stewart): I would presume they would be based upon the paper as presented and the continued negotiations.

HON. DAVE NICKERSON: Fine.

THE CHAIRMAN (Mr. Stewart): Have you a different course you would like to take? I can accept a motion.

HON. DAVE NICKERSON: No, sir.

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Tabled Document 5-63, National Health And Welfare Proposal For The Transfer Of Delivery Of Health Services To The Northwest Territories Government

MR. STEWART: Mr. Speaker, you committee has been studying Tabled Document 5-63, National Health and Welfare Proposal for the Transfer of Delivery of Health Services to the Northwest Territories Government. Your committee has accepted the paper and I am pleased to advise that we report progress at this time.

MR. SPEAKER: Is there a seconder? Mr. Fraser. Ouestion?

SOME HON. MEMBERS: The question!

 $\mbox{MR. SPEAKER:}\ \mbox{The question being called.}\ \mbox{All in favour?}\ \mbox{Down.}\ \mbox{Contrary?}\ \mbox{The motion for acceptance is carried.}$

---Carried

Deputy Commissioner Parker, are you prepared as the Deputy Commissioner of the Northwest Territories to discuss the time and place of the next session and prorogation, Items 13 and 14?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker. Would you like me to disappear for a moment or be available here?

MR. SPEAKER: Hon. Dave Nickerson.

Resignation Of The Hon. Dave Nickerson

HON. DAVE NICKERSON: A point of privilege, Mr. Speaker. Mr. Speaker, because of irreconcilable differences of opinion between myself and the Commissioner, I hereby announce my resignation from the Executive Committee, effective 6:00 o'clock p.m., tomorrow.

MR. SPEAKER: Hon. Dave Nickerson, may I on behalf of the House tender to you a sincere thanks for a job very well done in the past and our most sincere regrets that you felt it necessary to make this decision. Mr. MacKay.

SERGEANT-AT-ARMS (Mr. MacKay): Order.

ITEM NO. 13: TIME AND PLACE OF NEXT SESSION

DEPUTY COMMISSIONER PARKER: Be seated. Mr. Speaker, Members, I have for your consideration the date of January 20, 1978, at 2:30 o'clock p.m., in the city of Yellowknife. Are you in favour of that as a time and place?

SOME HON. MEMBERS: Agreed.

DEPUTY COMMISSIONER PARKER: Thank you very much. Mr. Speaker, I have no intention of making extensive remarks on prorogation. I would like to make two comments though. The first comment deals with the Wildlife Ordinance. I would like to commend you for having taken a very responsible approach to that ordinance. I suppose it might be said that there may be some in the administration who feel a regret that the ordinance was not proceeded with because there is a view and I think it is well substantiated that the ordinance represents the majority of the feelings of the people of the Northwest Territories and is indeed a good ordinance. However, having said that, it became clear as this session approached that the ordinance required further consultation and further work in some areas and it is for that reason that I commend you for recognizing the requirements of your constituents and for offering the advice that you did, and for agreeing to set the bill aside while this further consultation takes place. I would suggest to you that this period of consultation takes place. I would suggest to you that this period of consultation will require approximately six months and I would not expect the bill to come before you before the May session at the earliest, that is May 1978. I commend you for your study of other matters and in particular for the responsible approach which you have taken in the direction of responsible government in the legislation concerning income tax. This may seem a rather strange way to advance the cause of responsible government, but I assure you that it is a major step that you have taken.

My final remark concerns the Executive Member, the Hon. Dave Nickerson who has just made a somewhat startling announcement. It is with regret that I heard that announcement and I would like to pass along to the Members of this House and to Hon. Dave Nickerson the words that his service has been of great value to the Northwest Territories and to the Executive Committee. It is with deep regret that I note that he feels it necessary to take this action.

ITEM NO. 14: PROROGATION

Mr. Speaker, as Deputy Commissioner of the Northwest Territories, I hereby prorogue this 63rd session of the Legislative Assembly of the Northwest Territories.

⁻⁻⁻Applause

⁻⁻⁻PROROGATION

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