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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, JANUARY 25, 1978

MEMBERS PRESENT

Mr. Steen, Mr. Stewart, Mr. Lafferty, Mr. Lyall, Mr. Butters, Mr. Fraser, Mr. Whitford, Hon. Arnold McCallum, Mr. Evaluarjuk, Mr. Pearson, Mr. Kilabuk, Mr. Pudluk, Hon. David Searle, Mr. Nickerson.

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Item 2, replies to the Commissioner's Opening Address. Gentlemen, are there any replies this morning?

Item 3, questions and returns. Are there any returns, Deputy Commissioner Parker? Are there any written questions?

Item 4, oral questions.

Item 5, petitions.

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

ITEM NO. 6: REPORTS OF STANDING AND SPECIAL COMMITTEES

Report Of Standing Committee On Finance

MR. LAFFERTY: Mr. Speaker, I would like to make the report of the standing committee on finance to the 64th session of this Assembly.

Briefly before I make my report, Mr. Speaker, I would like to mention, getting away from the traditional practices of the standing committee on finance, primarily because the membership that constitutes this finance committee were new to this type of association and the committee consists primarily of native people thus much of the procedure and conduct of the meeting has been very informal.

The committee membership consists of the following Members of the Legislative Assembly: Myself, Mr. Stewart the deputy chairman, Mr. Butters, Mr. Fraser, Mr. Kilabuk, Mr. Lyall, Mr. Pearson, Mr. Pudluk, Mr. Steen and Mr. Whitford.

The finance committee met once since the prorogation of the 63rd session. This meeting was called to consider the proposed main estimates for the 1978-79 fiscal year. The committee met from November 14th to 17th, 1977 but did not have the opportunity to review the main estimates in detail because they were not ready for submission in time. Instead, the committee included in its agenda discussions on the following topics:

- (i) A discussion of the new format in which the main estimates are being presented this year;
- (ii) A discussion of the five year capital plan and consideration of the details for the coming fiscal year;
- (iii) A discussion of the budgeting methods proposed by the administration whereby the base for A level programs in a new fiscal year would be tied to the actual expenditure in the previous year;

- (iv) Consideration of some proposed B level programs;
- (v) A discussion of the budgeting process at the hamlet and municipal levels;
- (vi) A general discussion of the economic development in the territories in the light of the present economic situation; and
- (vii) A discussion of the broad employment planning policy for the Northwest Territories.

In reporting on the deliberations of the committee I do not wish to take up time by repeating the contents of the minutes of our meeting of which copies have been supplied to Members but at the same time the standing committee on finance would like to avoid a recurrence of past instances where recommendations have died because no further action was taken after submission of a report.

SOME HON. MEMBERS: Hear, hear!

MR. LAFFERTY: I propose, therefore, to conclude this report by reading into the record the motions and recommendations passed by the committee so that if adopted by the House, the appropriate action will be taken.

Observations By Committee

A) The following observations were made by the committee:

1. Members felt that announcements of government projects in the various constituencies should be made by Members representing those constituencies. This would be in keeping with the practices followed elsewhere and would also assist in enhancing the image of the Legislative Assembly and the government.
2. The Members agreed that more should be done to publicize the role played by the territorial government in supporting the people. The public should be made aware of the many hidden subsidies paid by the government and to this end the committee would like to see a reassessment of the administration's information programs.
3. Bearing in mind that tourism has been suggested as an alternative to the Mackenzie Valley pipeline, a closer look should be taken at the possibility of providing roads into areas where the North has some tourism potential. The committee requested the Department of Economic Development and Tourism to describe a program indicating areas with good tourism potential which could be made accessible by short access roads. The present economic situation in the Northwest Territories should motivate the federal government to give sympathetic consideration to the implementation of such a program.

Liard Highway

4. The committee considers it essential that construction of the Liard highway be commenced with as soon as possible, as this would open up an area with considerable potential for tourism and farming and provide much needed employment for local people during construction. The committee, therefore, on November 15, 1977, sent the following urgent telex to the president of the Treasury Board:

"The standing committee on finance of the Northwest Territories Legislative Assembly is currently meeting to review the proposed 1978-79 territorial budget and strongly supports the completion of the Liard highway as the highest priority for new road construction in the Northwest Territories. Construction over a five year period would provide meaningful employment to local people and the resulting road would prove to be a base for considerably increased tourism and eventual agriculture and forestry development. In light of the

almost desperate situation in the Mackenzie area we respectfully urge approval of this project at the earliest possible date."

5. While it is realized that it is more expensive to clear roads by hand, the feasibility should be investigated of transferring welfare funds to the highways division and specifying to contractors that manual labour should be used. In this manner the available funds could conceivably go just as far as would be the case with conventional construction methods while it would help to alleviate the unemployment problem.

6. In the area of government assistance in harvesting programs, the committee offers the suggestion that the administration investigate the possibility of providing winter roads for trucks to fishing and trapping areas. A number of these areas could be profitably harvested if the problem of access could be solved.

Guidance To Small Businessmen

7. The standing committee on finance would like to see government involvement in the provision of guidance to small businessmen. The feasibility of assigning a roving group of two to three persons to tour settlements and work with small businessmen for some time in a training-on-site situation should be investigated, as the committee believes that it would be of great value to the small business operator.

B) As stated earlier, the standing committee on finance would like to conclude its report to the House by listing the motions adopted at its meeting.

First motion, "that the administration be requested to provide Members of the Legislative Assembly with a breakout, by electoral district and community, of the expenditures on programs of the Departments of Education, that is, elementary education, Health and Social Services, Economic Development and Tourism, and Natural and Cultural Affairs, that is, recreation and game management." The purpose of this motion is to give Members an idea of where the money for functions such as welfare and economic development is going and it will enable Members to monitor the effectiveness of programs.

Second motion, "that the new format of budget presentation be approved."

Third motion, "that the terms of reference of the standing committee on finance be amended to stipulate that three Members of the committee shall constitute a quorum." Mr. Speaker, the standing committee on finance has a membership of ten and the Rules of the Legislative Assembly specify that a majority of the Members shall constitute a quorum. With such a large membership, difficulties are often experienced to get enough Members assembled to hold a meeting.

Fourth motion, "that the administration be requested to provide to residents of the Northwest Territories an improved information service regarding Northwest Territories government funded projects; signs identifying projects and the costs involved to be displayed at the site of all projects in excess of \$200,000."

Fifth motion, "that the administration be requested to provide to all Members full information regarding:
(a) all the grants and contributions available to communities, organizations, and individuals from federal, territorial and other sources; (b) the eligibility criteria involved; and (c) the manner in which applications should be submitted."

Decentralization Of Departments

Sixth motion, "that the administration be requested to investigate, in keeping with its announced policy of decentralization, the relocation of departments and/or crown corporations such as the Northwest Territories Housing Corporation, elsewhere in the territories." The rationale behind this motion is that government entities, such as the Northwest Territories Housing Corporation, which could function independently without having to be in close proximity to government headquarters, should be located elsewhere in the territories than Yellowknife because such a step would provide a very positive and meaningful boost to the town or settlement in which such an organization is placed.

Seventh motion, "that the administration be requested to ensure that in future, painting jobs in communities be done by local contract rather than by personnel sent from Yellowknife."

Eighth motion, "that a special committee of the current House be recommended for establishment at the 64th session; its main objective and purpose to be the drawing up of a roads development program in the Northwest Territories at the following three levels: (a) national; (b) territorial, and; (c) local." The committee adopted this motion because in the light of the current economic

situation special attention will have to be given to construction of new roads into areas with renewable and non-renewable resources. The Northwest Territories requires a roads development policy developed by the territories and not by Ottawa.

Ninth motion, "that it be brought to the attention of the administration that the federal government is opening up the Canada Labour Code to amendments which may affect the Northwest Territories. The administration to be requested to approach a minister to insure that the proposed amendments would allow the Northwest Territories to introduce its own labour legislation to protect northern workers."

Food Subsidy

Tenth motion, "that the administration be requested to report on the feasibility of introducing on a trial basis in high cost areas, a food subsidy on certain staple food items."

Eleventh motion, "that in the light of the extremely high cost of operating recreational facilities, the administration be requested: (a) to review its policy to provide for increased financial assistance for communities for operation and maintenance of recreational centres; (b) to consider the possibility of financing a portion of the cost through the Department of Education, and; (c) to investigate and report on the user-pay concept of financing operating expenses."

Twelfth motion, "that the administration be requested to undertake in conjunction with the federal government agencies concerned a study to determine the financial losses through projects undertaken in preparation for the Mackenzie Valley pipeline. Details of the dollar impact of the pipeline decision on the Northwest Territories to be presented to the Minister of Indian Affairs and Northern Development."

Thirteenth motion, "that the administration be requested to provide funds in the budget to enable leaders in Central and Eastern Arctic communities to visit Western Arctic communities where development has taken place so that they could acquaint themselves at first hand with the advantages and disadvantages of development." This motion was adopted by the committee because the government policy of consulting communities on land use upon receipt of applications for development often result in these communities insisting that industrial enclaves be constructed outside the communities. This has the effect that no financial benefits accrue to such communities at all. It is felt that communities react negatively to development proposals simply because they have no previous experience to enable them to judge the benefits and detrimental impacts of development.

Fourteenth motion, "that the concept of the foster home program as proposed by the Native Women's Association of the Northwest Territories be approved in principle and that the administration be requested to consider the request for financial assistance submitted by the president of the association." The committee adopted this motion on the basis that the association would aid the work of the Department of Health and Social Services.

Alternative Development Programs

Fifteenth motion, "that the administration be requested to approach the Minister of Indian Affairs and Northern Development for a progress report on the creation of the alternative development programs referred to by his predecessor in announcing the federal government's decision on the pipeline." The finance committee feels that although the federal government is pouring considerable funds into make-work programs, it has to be realized that these programs will not solve any real problems. What is required is direction and a clear statement of purpose from the federal government with regard to the future of the Northwest Territories.

Motion Of Adoption Of Report And Motions Therein

Mr. Speaker, I now move that the report of the standing committee on finance and the motions contained therein be adopted.

MR. SPEAKER: Mr. Lafferty, indeed you can do that, but as I hear the motions, extensive as they are in number, you may wish instead to move an adoption of the report; simply that it be received or accepted and then as you go through the budget debate, you I think then might want to deal with each of those specifically because if you move adoption of the report, as I see it, it could be a difficult thing to vote on because there are so many different things that arise by way of the very specific motions you have made.

I leave it to you but particularly with reference, of course, to the change in your terms of reference as to the quorum it seems to me that that should be done by a very specific formal motion. That was the first of your motions. You should, as chairman of the committee and I can certainly have Mr. Remnant put his hand on the original motion that set the terms of reference and the quorum and I think you should do a new formal motion referring to that one and amending it.

Then as I say, with respect to the balance of your motions that come from the committee, though you may indeed do as you have indicated, I think you might want to consider moving them specifically one by one, either as formal motions or as you go through the budget, in that they obviously arose out of consideration of the budget. However, whichever you wish, I just give you those alternatives.

Motion Withdrawn

MR. LAFFERTY: Mr. Speaker, I would withdraw that motion that I made and I would move that these motions be adopted for consideration.

MR. SPEAKER: Could I try and help you again by saying that you simply move that the report be received at this point in time.

Motion That Report Be Received

MR. LAFFERTY: Yes, Mr. Speaker, I would so move.

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

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question being called.

MR. NICKERSON: Point of order, Mr. Speaker. What exactly are we doing by receiving the report? Does that mean that the House is giving, in any way, the report its approval?

MR. SPEAKER: No.

MR. NICKERSON: It just means that we have had the privilege of listening to Mr. Lafferty's speech, is that what it means?

MR. SPEAKER: That is all. Question.

SOME HON. MEMBERS: Question.

Motion Carried

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

---Carried

Mr. Clerk, would you dig out that original motion with respect to terms of reference of the finance committee and assist Mr. Lafferty with respect to a formal motion concerning the terms of reference? With respect to the balance of your motions contained in your report, Mr. Lafferty, we will leave it up to you as to whether you bring them back by way of specific formal motions or make them from time to time in committee of the whole as we go through the budget discussions, okay? Mr. Stewart.

Motion To Refer Report Of Standing Committee On Finance To Committee Of The Whole

MR. STEWART: Mr. Speaker, because of the wide variance of subjects, although they basically come under the financial section and could be dealt with through the budget, I feel that this paper is bringing out quite a few things that it may be difficult to really find the right slot within the budget to work on and I would like to move that this report be put into the committee of the whole as it stands for discussion. I would so move.

MR. SPEAKER: Mr. Butters.

MR. BUTTERS: I second the motion, sir.

MR. SPEAKER: Is there any discussion?

SOME HON. MEMBERS: Question.

Motion Carried

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

---Carried

I just might say, Mr. Stewart, that the report of the finance committee is something which, recalling when I was chairman of the finance committee, was automatically discussed in committee of the whole at the time of the budget, section by section. In other words, I think you could properly discuss it there anyway, whether you do so prior to getting into the budget in detail or whether you do it at the end or as you go along. I think traditionally that is where we have done it. However, your motion just confirms that as far as I see it.

Item 7, notices of motion.

Item 8, motions for the production of papers.

Item 9, motions. The only motion we have is Motion 2-64, and the mover, Mr. Whitford, if he is here has a very low profile, so that being so, I suggest we stand the Motion 2-64 over until he is here at some future date. Agreed?

---Agreed

MR. SPEAKER: Item 10, tabling of documents.

Item 11, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

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

Is it the wish of the Executive that we deal with Bill 8-64, the Vehicles Ordinance? Has that been reworked? No. Hon. Arnold McCallum, what bill do you want to deal with?

HON. ARNOLD McCALLUM: Mr. Speaker, I think that we would like to move to Bill 17-64, the Judicature Ordinance.

MR. SPEAKER: Now this House will resolve into committee of the -- Mr. Stewart.

MR. STEWART: Mr. Speaker, I was wondering whether my colleague, Mr. Fraser, may be able to handle this this morning. I am expecting a call and I may not be in the House.

MR. SPEAKER: I just warn Members that if more than one of you leave the room, we will lose a quorum. So, be careful and make sure there is only one out at a time. Mr. Fraser, Mr. Stewart wonders if you would not mind as deputy chairman of committees taking the chair for Bill 17-64.

This House will resolve in the committee of the whole for consideration of Bill 17-64, the Judicature Ordinance, with Mr. Fraser in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 17-64, Judicature Ordinance, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 17-64, JUDICATURE ORDINANCE

THE CHAIRMAN (Mr. Fraser): Bill 17-64, An Ordinance to Amend the Judicature Ordinance. Deputy Commissioner Parker, I wonder if you could give us something on this before we proceed into general comments.

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. We have been advised by the federal Department of Justice that the workload on the supreme court of the Northwest Territories has reached a stage where very shortly a second judge will be necessary and in order for an appointment of a second judge to be made it is necessary for the Judicature Ordinance to be amended. I suppose that we can assess that need to some extent and therefore, if this amendment passes, it will not mean the automatic and immediate appointment of a second judge but it paves the way for such an appointment.

It does seem though that the supreme court has become particularly busy and by introducing this amendment we are responding to the expressed desires of the judge and of the Department of Justice. Mr. Vic Irving is prepared to act as an adviser if you feel this is necessary and I am sure that your Legal Advisor may also be in a position to comment on this particular bill.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Is it the wish of the House to proceed clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

THE CHAIRMAN (Mr. Fraser): Agreed. Clause 1. Agreed?

---Agreed

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

Errors Pointed Out

MR. NICKERSON: There is a number of things that are slightly in error, Mr. Chairman. First of all, I would imagine that Mr. Lyall would be most disappointed if we dealt completely with this bill prior to it being studied by his committee. As far as I know, it has not gone to Mr. Lyall's committee at all yet.

Secondly, the commentary pages at least in several of the Members' books are missing. So we do not know what the original paragraphs which are being amended said. So those two matters might cause some difficulty, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Mr. Nickerson, the Legal Advisor says she could read out the originals and I do not know how this bill did not come to the committee, but is it the wish then that we wait for Mr. Lyall or proceed? We can not wait for a long time. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this bill has not been before the standing committee on legislation. The need for it was drawn to our attention after the meeting of the standing committee on legislation and we have had no opportunity to present it to that committee. Since the bill is very short and I believe the intent of it rather straightforward, we did not feel that this was a serious oversight. We felt that perhaps Members might well be prepared to deal with it since it is such a short bill without having the standing committee study it.

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

Presentation Of Legislation Protested

MR. STEWART: Mr. Chairman, I would like to put forth an objection in a very strong manner, as to the manner in which this legislation has been presented to us at this session. Bill 8-64 is a disaster and we are now getting into Bill 17-64 without our normal functions being followed. It appears to me that things are not just being handled in the proper manner and it is difficult enough, I know, sitting in the chair as chairman if things are laid out properly. I do not think under these two instances that this is necessarily so and it is embarrassing to this House. As far as I am concerned I would like to protest the manner in which legislation so far has been presented.

SOME HON. MEMBERS: Hear, hear!

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

MR. EVALUARJUK: Mr. Chairman, this is going to be read. I feel that it should be explained to us properly because we do not have any copy of it, Bill 17-64.

THE CHAIRMAN (Mr. Fraser): Fine, thank you, Mr. Evaluarjuk. I understand that they do not have a translation of this bill, is that right?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, if it would be helpful to the Members perhaps I should explain that at the present time, we have one supreme court judge and we are advised by the Department of Justice that the amount of work that this judge must do is too great, too much work for one man and therefore, there is a requirement now or there will be within a very few months for a second judge. The only thing that this bill does, therefore, is to change the ordinance so that there may be two judges, two supreme court judges instead of one judge.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker, I think you explained that before. Mr. Butters.

Insufficient Preparation By Administration

MR. BUTTERS: Mr. Speaker, I do not think that there is anything in the bill that Members would disagree with on the objective of the administration. I think the criticism here is that this session is a budget session and any legislation that is introduced is introduced on sufferance, as it were, of Members and the expectation being that that legislation is important. Certainly if it is important, then it should be properly prepared and obviously as Mr. Stewart has pointed out, this is the third or fourth occasion on which there has been insufficient preparation by the administration. We are wasting our time. I think that you once again should report progress on this bill and have them present something to us that we can discuss.

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

COMMISSIONER (Mr. Hodgson): Mr. Chairman, I think that would be a tragedy if you did that because there are certain things that we have to look at, I think from a responsible position and from a responsible point of view, and this is one of them. We have known for some time that the judge is an extremely busy man. I believe there are something like 12 deputy judges that aid him and so there are two things that have to be done. One is action on part of this -- yes, 12. One is action on the part of this Council and the other is action on the part of the federal government.

Funding

The funding, and it runs in this category; one, is that we change our legislation and the other one is that the federal government puts together the funding and it does not cost us a penny, but they put together the funding and then when the Department of Justice is ready or the cabinet is ready, they appoint somebody. So in a sense, this is a piece of enabling legislation.

This is not put before you by the Government of Canada. I am the one that put it together and I thought that in recognition of this situation, that it is a very simple thing. So I put it to you as I thought that you would want to be the ones that would say yes, he is right, we think that we should have another position and as far as we are concerned we support it and then we have done our part. Then it is up to the federal authorities to come together with the funds and make the appointment.

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

MR. STEWART: Mr. Chairman, I do not think that this House has any intention of not voting for this particular bill but I point out to the Commissioner that what we are saying is that we do have a legislation committee to study legislation before it is brought to the House. It has been pointed out that this has not been done in the case of this particular bill. I know it is a simple one, but on the other hand, if we do have committees, it should be properly handled and I think if we start waiving from this procedure, then we might as well disband the legislation committee.

The second point is that the bill has not been translated and these are the things that we are a little perturbed about, not the bill itself, but rather the manner in which it is being presented to the House. There are two important positions here; one is that we do not want to circumvent our committee and the second is that our friends are certainly entitled to a translation.

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

Support In Principle For Bill

MR. PEARSON: Well, I am interested in the Commissioner's comment and I support the bill in principle. I think that Mr. Stewart has a good point when he says that we are usurping the legislation committee. We do have a process and I think that is a reasonable thing. However, I would support the bill in its present form, to get it through as expeditiously as I can because I am aware of the concern of the judicature in the Northwest Territories of being short-handed. I am aware that the justice is not as swift as it should be. There is a tremendous backlog of work. I think that we have to show our good faith in supporting the judiciary. I sincerely hope that the territorial government has a lot more luck dealing with those feds in providing you with additional judges, than the municipality of Frobisher Bay has had. After recommending to Ottawa last April that we require a juvenile court judge desperately in that community, we have still been ignored by those Ottawa bureaucrats. Consequently, our situation in Frobisher Bay is bad because of the tremendous number of cases that come before the courts of juvenile matters and they simply refuse to appoint one of the local justices of the peace as a juvenile court judge.

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

HON. DAVID SEARLE: Well, Mr. Chairman, I think I was just going to make the point that Mr. Stewart made; that the objections I have heard voiced around the table to the bill are not objections in substance. In other words, I do not think anyone is quarrelling with the need to put into place, now, legislation which would permit the appointment of more than one superior court judge if appointment were deemed to be necessary. The only things Members are saying is that the procedures adopted by this House have not been followed. As I take it, there are really three.

Procedures Not Followed

Firstly, that the House has not had the scrutiny of the committee, standing committee on legislation. Secondly, Mr. Pearson writes my material. Secondly, the bill has not been translated for the Members who need the translation. Thirdly, the pages that are normally interleaved that show the sections being changed and the underlining of those sections are not here.

So, the question I think before the committee is whether those three reasons are valid enough simply to report progress until those three things are done, and then bring the bill back later in the session for its treatment or whether they want to proceed at this point without those three things. Personally it does not matter to me. I will go along with whatever the committee says because I have taken the ordinance out and I have seen what the changes are. There may well be a good point in principle, if the standing committee on legislation has not seen it. If we start side-stepping or going around, then even the simplest of bills...

SOME HON. MEMBERS: Agreed.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the weight of the points that have been made weighs very strongly on us and the administration would be pleased to see progress reported while we step back and follow all of the proper procedures.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Is it the wish of the House then that we report progress?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. Fraser.

Report Of The Committee Of The Whole Of Bill 17-64, Judicature Ordinance

MR. FRASER: Mr. Speaker, the committee has been studying Bill 17-64 and wish to report progress at this time.

MR. SPEAKER: What is the wish of the Executive who know the whereabouts of witnesses, etc., with respect to the next bill? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, we could move to Bill 9-64.

MR. SPEAKER: The House will resolve into committee of the whole for consideration of Bill 9-64, Collection Agreement (Income Tax) Questions Ordinance, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 9-64, Collection Agreement (Income Tax) Questions Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 9-64, COLLECTION AGREEMENT (INCOME TAX) QUESTIONS ORDINANCE

THE CHAIRMAN (Mr. Stewart): We will come to order to study Bill 9-64, An Ordinance Respecting the Resolution of Questions Arising out of the Collection Agreement Entered into Pursuant to the Income Tax Ordinance. Are there any witnesses to be called?

DEPUTY COMMISSIONER PARKER: I believe that the Legal Advisor is the person

who is most familiar with the requirement for this bill. It seems that it is a bill that is necessary as a follow-up to our Income Tax Ordinance. If the Legal Advisor does not wish to speak to it, then I think perhaps our director of the Department of Finance can.

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

Purpose Of Bill

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, the Income Tax Ordinance which was passed at the last session, contains a section which requires that the collection agreement entered into between the Northwest Territories and the Government of Canada will, if difficulties arise in the interpretation of the agreement, be submitted to a superior court for resolution of the difficulties. The agreement also contains the undertaking that we will enact legislation to provide for that method of resolving any difficulties of interpretation. The purpose of this legislation is to set up the machinery for resolving any difficulties between the parties to that agreement.

THE CHAIRMAN (Mr. Stewart): Thank you. Is there a Member of the legislation committee that might have any report from that committee? I see Mr. Lyall, the chairman, is not here. Comments of a general nature? Bill 9-64. Hon. David Searle.

HON. DAVID SEARLE: If I may, Mr. Chairman, I would just like to make a comment of a general nature or rather ask a question of a general nature before we get into clause by clause of this bill. That deals with the Income Tax Ordinance that we passed last session to which this is obviously a companion bill. Since the enactment of that legislation, at which time we were -- let me back up. At the time we enacted that legislation, I understand that we were told that the amount of tax people pay would not change by the enactment of that legislation, that in effect nothing would change but we were rather legitimating our own position and properly legislating the amount of the territorial tax. We were at that point in time, actually placing it the same as the feds had placed really, in our behalf.

Since then, however, on talking to the guy that does my income tax return, a chartered accountant, his opinion is that we suddenly added, I forget the percentage, but something between 20 and 40 per cent more taxes onto everybody unwittingly. Having done the best I can to persuade him that that was not the intention, as clearly indicated by everyone and as understood by me here then, he says to me, "I do not care what your intention was, that 'ain't' the way it has turned out to be", and he has been circulating everybody with these opinions that we are all going to be paying more and more income tax.

Now that is what he says and I just wonder. I have directed him to Mr. Nickerson, who I know is very thoroughly briefed for weeks and weeks beforehand by all sorts of people from Treasury Board and the Department of Finance. I have also directed him to Assistant Commissioner Mullins, who I thought could probably put clearly, as well, the position of the administration. I understand that he has availed himself of all of that good advice, but still he maintains the position that we are all going to be paying more tax.

In view of that confusion, I would like to just ask, Mr. Chairman, a question whether this collection bill is designed to collect this additional tax, or is there any additional tax?

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

Federal-Territorial Division Of Tax

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I must say that when I learned that

the division between federal and territorial and indeed, between federal and provincial taxes was being changed, it came as a bit of a shock to me. This was not, and I must repeat not, because of any action of the territorial administration or this House.

Apparently though, according to federal-provincial agreements that have been under negotiation for some time, the federal government has agreed to a different split in taxes with the provinces and the same thing applies to the two territories. Previously the division that was labelled as ours was taxed at the rate of 30 per cent and it is now going up to 43 per cent.

I too, have been advised that this is not going to make for any net increase in taxes, but it is in fact a difference in the division of the total tax dollar. Whether that will work out to be fact or not, I can not say. But it certainly is not an increase that is related at all to the territories collecting its own tax. This is something that has been under way as a result of federal-provincial negotiations for some time. It in fact, will come into force I believe, for one taxation year ahead of our own move. Perhaps Mr. Nielsen, our director of Finance, could give a further explanation of these implications of the federal-provincial agreement.

THE CHAIRMAN (Mr. Stewart): Is it the wish of this House that we call Mr. Nielsen?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. DAVID SEARLE: Well, Mr. Chairman, I am rather concerned that we have the administration's assurance that what was told to us before is in fact the case because this is the time, if there is a time to put forward an amendment to that bill if we had to, before we get into the next taxation year, because you know I would not want to wait until May because everybody would have had to pay taxes on that basis.

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

Collection Agreement Necessary

DEPUTY COMMISSIONER PARKER: Just before Mr. Nielsen speaks, you know, I have given the Members that assurance, that the act of changing this ratio has absolutely nothing whatsoever to do with the territorial administration nor with the legislation that this House has passed or proposes to pass in this collection agreement.

The collection agreement is necessary regardless of the rate of taxation and I can give you that assurance. We are not parties to any change in approach. I mean, you know, that gets to be a matter of principle and we came to you and said that the rate of taxation because of the territorial government becoming the collection agency was not going to change in the first year. If as a result of federal-provincial negotiations there is indeed a change it was not something that we were aware of nor is it related to our actions in any way.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Nielsen, would you like to contribute to the discussion?

MR. NIELSEN: Mr. Chairman, Members, there are basically two issues to the increase in rate. The first issue as was pointed out by the Deputy Commissioner, results from a transfer of responsibilities from the federal government to territorial and provincial jurisdictions. The net effect of that on an individual's income tax will be nil or perhaps one or two dollars.

Basically what has happened is that the federal tax has gone down, reflecting that they no longer have responsibilities in certain areas and the territorial or provincial income taxes have gone up in an equivalent amount, not rate, since the rates are based on a different basis, but an equivalent amount to offset that and to take into consideration that the territories and provinces now have responsibilities for those functions.

Issues Of Timing And Administration

But the effect on a taxpayer is nil. The second issue and I believe the one to which we have specifically been addressing ourselves is the one related to timing and administration. First of all, the federal Income Tax Act provides for a

federal surtax on income tax paid by territorial residents. The federal Income Tax Act obviously could not be changed until this House took its decision to levy a territorial income tax, so that is simply the question of timing.

The second one is a question of law and administration, and in fact, it is true that there are now two laws, two income tax laws governing territorial residents, one of which is a federal surtax and one of which is a territorial income tax, both of which would have the same rate of 43 per cent. But in fact, there is no intention of the federal government whatsoever to levy the federal surtax for the year 1978. Steps have been taken and in fact, a combined release by the federal Department of Finance and Department of Indian Affairs and Northern Development was released to the press some few months ago. In that press release it indicated that action had commenced within the federal government to repeal the section of the federal Income Tax Act which allows for a federal surtax to be applied to territorial residents.

So in fact what will happen for the income tax returns for the year 1978 is that when they are printed in December of this year -- there is a full year to make this administration adjustment -- when the income tax forms are printed this year, they will show a territorial income tax and the federal income tax and there will be no federal surtax on those forms. So the rate of tax for a territorial resident will not increase and I think this is demonstrated by the federal income tax deduction forms which have been distributed to employers in the Northwest Territories.

Present Tax Forms Explained

Those forms show that at the present time there is only a federal surtax in existence, at the rate of 43 per cent. The reason for that is simply that the legislation and collection agreement relative to the territorial income tax had not, administratively, been put into place by the time the booklets had been prepared. So this year employers are simply deducting the new rate of 43 per cent that applies federally and was applicable to this year and last year. That rate has nothing to do with our Income Tax Ordinance.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Nielsen. I take this opportunity to recognize Hon. C. M. Drury, a former member of the Council of the Northwest Territories. Welcome, Hon. C. M. Drury.

---Applause

Comments of a general nature, Bill 9-64. Mr. Nickerson.

MR. NICKERSON: I have just one question, Mr. Chairman. Has the collection agreement been signed by the Commissioner and the federal parties? Has this signing actually taken place?

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

MR. NIELSEN: The collection agreement is presently at the federal level for signing. It is expected to be signed this month. It is in the final stages.

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

MR. BUTTERS: Mr. Chairman, Members will recall that during the debate in which the ordinance, the original ordinance was passed, I raised the point of revenue resource sharing agreements. I am wondering if the Deputy Commissioner might tell us whether or not in view of the fact that this body saw fit to pass the Taxation Ordinance that the federal government has indicated that they will, in view of our good faith in their actions, that they will begin negotiations with us on resource revenue sharing in the Northwest Territories. Because the Deputy Commissioner will, I am sure, remember that originally when this ordinance, the proposed ordinance was discussed, it was to be brought forward concurrently with the revenue resource sharing agreement with the federal government.

Resource Revenue Sharing

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, there has been no discussion of a formal nature on revenue resource sharing but there has been informal discussion which indicates that certainly the people in Department of Indian and Northern Affairs are prepared to see this subject reopened and proceeded with.

MR. BUTTERS: Your remarks in that regard are most encouraging, Mr. Chairman. When might those discussions occur, be reopened? In April, during the economic prospects conference?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think they can be reopened at any time at our initiation or instigation. I think that even before this session is over, we could commence arrangements for them and I would think that we could get into serious discussions in the spring.

THE CHAIRMAN (Mr. Stewart): Bill 9-64, comments of a general nature. Mr. Pearson.

MR. PEARSON: Well, my conscience is clear. I voted against this bill and I am appalled to hear now that it seems that this was done on a half cocked basis like many other things are done. They are now trying to determine the formulas and procedures when the thing has already been passed by the House and that the fears of Hon. David Searle's lawyer are probably very real. Accountant, I should say. They are probably very real, but I voted against it and I will vote against this.

THE CHAIRMAN (Mr. Stewart): Comments of a general nature. Are you ready for clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

THE CHAIRMAN (Mr. Stewart): Clause 2, "court". Agreed?

---Agreed

Clause 3, reference to the court. Agreed?

---Agreed

Clause 4, court's opinion. Agreed?

---Agreed

Clause 5, interested parties. Agreed?

---Agreed

The agrees have it. Clause 6, status of court's opinion. Agreed?

---Agreed

Clause 1, short title. Agreed?

---Agreed

The bill as a whole. Agreed?

---Agreed

I report this Bill 9-64 ready for third reading. Agreed?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 9-64, Collection Agreement
(Income Tax) Questions Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying Bill 9-64 and wishes to report this bill ready for third reading.

MR. SPEAKER: Thank you, Mr. Stewart. Hon. Arnold McCallum, what bill do you want us to deal with next?

HON. ARNOLD McCALLUM: Mr. Speaker, Bill 11-64, Appropriation Ordinance.

MR. SPEAKER: Mr. Butters.

MR. BUTTERS: Point of order, Mr. Speaker, I wonder if we can get some indication of when the Senior Citizens Benefits Ordinance will be coming in. I think that is a very high priority item, is it not?

MR. SPEAKER: On the point of order as to Senior Citizens Benefits Ordinance and plans with respect to it, is there any comment?

HON. ARNOLD McCALLUM: Mr. Speaker, the administration had not planned to put in an ordinance to increase or to pay supplementary assistance to senior citizens at this time.

MR. SPEAKER: I think it would be appropriate to break for coffee before we go into the Appropriation Ordinance. The House stands recessed for 15 minutes for coffee.

---SHORT RECESS

MR. SPEAKER: The Chair recognizes a quorum, just. With respect to the Appropriation Ordinance, Bill 11-64, Mr. Stewart, you had expressed to me the wish that maybe Mr. Fraser could assist you with the committee of the whole handling of -- oh, Mr. Stewart is not there, that is Mr. Butters. I assume there is no choice then, Mr. Fraser, you are prepared then to handle the Appropriation Ordinance, are you?

This House will then resolve into committee of the whole for consideration of Bill 11-64, the Appropriation Ordinance, with Mr. Fraser in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 11-64, Appropriation Ordinance, 1978-79, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER Bill 11-64, APPROPRIATION ORDINANCE, 1978-79.

THE CHAIRMAN (Mr. Fraser): Bill 11-64, An Ordinance Respecting Expenditures for the Public Service of the Northwest Territories for the Financial Year Ending the 31st Day of March, 1979. Now we have had some discussion on this, general comments yesterday. Could we go into general comments again, or do we wish to go right into it? Mr. Lafferty.

MR. LAFFERTY: There is nothing.

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

MR. NICKERSON: These are not general comments, Mr. Chairman, they are rather specific requests, but with the approval of the committee, I would like to ask for them now because it might take some time for the administration to get the material together.

The first request is that when the Department of Economic Development is under consideration, perhaps the administration would be kind enough to make available to us a complete financial history of the Fort Resolution sawmill. What has happened in the past especially in regard to moneys expended, where these funds have come from and if it is possible to find out where they went to and what is happening at the present time and what is expected in the future.

The second request, Mr. Chairman, is for the discussion which we will have on the budget of the health subcomponent of the Department of Health and Social Services. If at all possible, I would request of the administration that they provide us with a flow sheet type analysis of health care financing in the Northwest Territories. I know this is a very complicated subject, moneys come from a variety of sources. They are expended in a variety of ways by a variety of agencies, all of whom send bills to each other, some of which get paid, so I would like to see the actual cash flow, when cheques are paid by somebody to somebody else; how the invoicing takes place and what the regulatory mechanism or the approval mechanism is where Territorial Hospital Insurance Services and other authorities fit into the whole system.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Nickerson. Deputy Commissioner Parker, could you give us some indication as to when we could expect this material?

A Schedule To Follow

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I am certain we can have that material ready when we consider each of the two departments involved. We propose to commence with the Department of Local Government and once we are into consideration of that department's estimates and in consultation with other Members of the Executive Committee we will draw up a schedule which we will propose to follow, not slavishly, but as best we can in the consideration of the estimates, department by department. Then we will circulate that schedule so Members will be able to know which department we will turn to next.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. If there are no more comments of a general nature -- Mr. Butters go ahead.

MR. BUTTERS: Mr. Chairman, I agree that it would be very helpful to have before us a schedule upon which has been listed those departments and the order in which they will appear. However, I think it might be advantageous if we scheduled days certain for the Department of Economic Development. The reason I suggest this and Members might consider this suggestion, is that since our last budget the administration and by extension, this House, must examine and give very very serious consideration to the alternate development strategy which has been put forward by the Mackenzie Valley Pipeline Inquiry commissioner and to a certain extent by the former minister of Indian Affairs and Northern Development.

In effect, what I am saying is that we are going to have to examine the economic potential of the renewable resource area. Members who have read Judge Berger's Volume II recall that one of the recommendations he made was that there is a real need for more data upon which to determine the exploitative potential of the renewable resources area.

Ecology Of The North

I think that this debate could be the most important one of this session; that is, how much can we take out of the renewable resources dimension without damaging beyond repair the wildlife and the other natural resources that exist? We all know, the ecology of the North is extremely fragile and that too heavy an intrusion on the natural resources of this land could set them back irreversibly for 20 or 30 years in the future.

So I feel that it is most important that the economic development debate be set for days certain and that we consider having before us two witnesses who have figured very very largely -- or one of whom anyway who has figured very very largely in the acceptance by Mackenzie Valley Pipeline Inquiry commissioner by the Government of Canada of the renewable resources alternative. He is Dr. Peter Usher. I think if we saw fit to invite Dr. Peter Usher, we should also see fit to invite Dr. Jack Stabler, who has served as a resource person to this House in another capacity. As we know, both these experts take diametrically opposed positions and I think it would be advantageous to us and it would assist us in our debate on the economic development if these men could be invited.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. Comments of a general nature. If there is no further comments, Deputy Commissioner Parker or Hon. Arnold McCallum would like to give us a little talk on this, whoever wants to.

Department Of Local Government

HON. ARNOLD McCALLUM: Well I do not know Mr. Chairman, whether I am going to give you a little talk on it. I would hope that I would be able to indicate to the committee what the Department of Local Government has done and what we would plan to do and be responsive to questions that various Members pose concerning the operation of the department.

The Department of Local Government, of course, is responsible for assisting the development of local government in the communities, the institutions of local governments within all communities in the Northwest Territories. The department's role is primarily a role of support, to provide support to the communities, not to direct the communities in the way in which they should operate. As well the department provides a number of community services. The department is responsible for the operation of community airports and the development and training programs for administrative staff and various council members in the various communities.

THE CHAIRMAN (Mr. Fraser): Hon. Arnold McCallum, if I may interrupt just one minute, I forgot to announce that we are on item nine, Local Government, page 9.01. Thank you, you can continue.

HON. ARNOLD McCALLUM: So basically that is the role of the department and has been the role. Hopefully it will be the role as it continues to provide strong local government institutions in the various communities in the territories. As the Commissioner indicated in his Opening Address, there were a number of things that in fact did occur within the department over the past year. The granting of hamlet status to various communities, three in number, Eskimo Point, Baker Lake, and Repulse Bay.

Arctic Airports Training Program

A number of people from various communities were trained under the Arctic Airports B and C Training Program dealing with the operation and maintenance of the airports. There were 19 or 20 in total last year, so that now we have throughout the territories, 30 local people trained under this program for the operation and maintenance of airports. Upgrading work was completed in various localities, Sanikiluaq, Rankin Inlet, Coppermine and Fort McPherson, in terms of the airports. There were training workshops carried out by the department under the department's training program and it held courses at Frobisher Bay, Coppermine, Inuvik and Rankin Inlet. These courses are for the administrative staff and various council members and the type of training deals with accounting practices, hiring and supervision of local employees, it deals with land administration, planning, the organization and functions of councils. The department has taken a big step in terms of decentralizing programs to the regions, to provide support, stronger support to settlements and hamlets. We have now in the various regions, municipal affairs officers, town planners, and airport officers and high hopes that we would provide them strong operation support for the various communities. We initiated general development plans for various communities, communities such as Baker Lake, Coppermine, Pond Inlet, Eskimo Point, Holman Island, Frobisher Bay and Norman Wells, and this would be an attempt then to provide support services to these communities so that they would be able to be aware and recognize the physical growth of their communities.

Our water and sewer contribution to various hamlets was quite large in the past year. It is something that we would like to continue. Road construction was carried out and between the road construction and sewer and water the department spent in the vicinity of about \$11.5 million. We provide as well, mobile equipment to settlements and hamlets for airport operations and municipal purposes. These are some of the things Mr. Chairman, that the department has done within the past year. I have indicated only a few of them.

Site Development And Land Assembly

Our objectives of course, go along the same lines for the coming year. One of the major things that we would hope to carry out this coming year would be a program of site development and land assembly. That would hopefully provide various communities in the territories with the necessary land for housing and other building requirements. We would again place a great emphasis on road construction and road maintenance and drainage and we would hope to be able to get involved in a new paving program for various communities. We believe that it is quite a psychological lift for people in a community to at least have part of their main street or the part of their streets paved. It cuts down on the maintenance that we have experienced over the years and I think it provides, as I say, an uplift to people.

The training program will be continued and considerable emphasis will be given to more workshops for settlement and hamlet councils and the staff of councils in all the aspects of their operations. We would hope to be involved and provide services and support for over-all planning by communities. The airports program will continue to upgrade and improve various runways of various communities and we will also hope to be able to erect new airport buildings especially in the Eastern Arctic.

A number of communities have applied for hamlet status and we hope that they will indeed take on this new role and the ensuing responsibilities this particular year. Some may not be ready to take it on but we would hope to be able to create a dialogue with various communities so that they would be able to assume the new role in the next level of local government.

We expect that we will carry out a major capital program as regards sewer and water facilities and we anticipate that we would be spending in the vicinity of \$12 million again this year in that particular area. The problems of providing sewer and water facilities in communities is a very difficult one and the department is now pursuing new and different techniques of solving some of the problems here; problems especially associated with water and sewer in the smaller communities. With those opening remarks Mr. Chairman, I would be now prepared to talk about various parts of the budget.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Do you wish at this time to call any witnesses to the table?

HON. ARNOLD MCCALLUM: No, Mr. Chairman.

O And M - Directorate

THE CHAIRMAN (Mr. Fraser): We will proceed then on page 9.02, operation and maintenance, directorate, the amount of \$1,276,000. Mr. Butters.

MR. BUTTERS: All right, Mr. Chairman. Are you off general comments already?

THE CHAIRMAN (Mr. Fraser): We have had general comments.

MR. NICKERSON: Oh, Mr. Chairman, I think the committee would appreciate having the opportunity to make general comments with respect to the Department of Local Government. We have had general comments with respect to the budget as a whole.

THE CHAIRMAN (Mr. Fraser): General comments on the Department of Local Government.

MR. BUTTERS: Mr. Chairman, the matters occurred during this current budget session and I am just wondering what steps the Department of Local Government is taking to resolve them or how it sees them being resolved or whether they are still in the consideration stage. One concern I had was that recently at Fort Simpson there was a mass resignation of members, which seemed to me a very negative action on the part of municipal councillors and contrary I think to the whole concept of local government. It rather disturbed me and alarmed me to see that this thing occurred. Now, according to the news reports, I believe the Department of Local Government had to step in and place an administrator in Fort Simpson. I wondered if the Minister might advise just what did happen in that case? Or is happening? The second matter of interest was something that occurred at Fort Franklin. This matter I happened to hear about, I think, on the 6:00 o'clock news, that Fort Franklin was seceding from the Northwest Territories. I would like to know about that too. CBC is fine but I would like to get the word from the horse's mouth just what is going on and what is under consideration in both these problem areas.

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

Fort Simpson Council

HON. ARNOLD McCALLUM: I appreciate, Mr. Chairman, the reference to that part of the horse's anatomy very much. Mr. Chairman, in the case of Fort Simpson, we have indeed had to place an administrator in that community because of the actions of the people who were elected to sit on the local council. I agree wholeheartedly with Mr. Butters in his evaluation of their actions, because it definitely is contrary to what we would believe, as a department and a government as regards the election of local councils. It is a very difficult situation to reconcile and it is not unique because of our other areas and other communities, villages and in some cases towns, who have voiced their disapproval of certain members of their council.

Our role in that particular, in those instances, would be to be a facilitator, I guess maybe even a mediator by trying to indicate to the various members of these councils their responsibilities, outlining to them the course of action that would have to be followed, if indeed they went through, as was the case in Fort Simpson, with resigning. We believe that we can not do anything about the people who are generally elected under democratic processes and in fact we should not. People who place their names to sit on local councils in any capacity have a decided interest and a very great concern for the welfare of that community otherwise we believe that they would not have even put their name, or held their name for nomination. Once having been elected, they should then be allowed to carry out the operations and the functions of that particular community.

The department was unable to reconcile the situation in Fort Simpson. We spent a great deal of time talking with the council members, trying to dissuade them from resigning and persuading them to carry on, start again, make a beginning, carrying on the council functions, but to no avail. As a result, under the Municipal Ordinance, we can only provide an administrator when there are in fact financial difficulties or when there is something untoward being done in the moral sense.

Financial Operations Of The Town

We felt there would be difficulties with the financial operation of the town because the employees had to be paid. There was nobody in the town who was in a position to sign their pay cheques. Hence, we sent in one of our people from municipal services on an interim basis to carry out these functions so that people who worked with the town or the village of Fort Simpson, to see that they were paid, because even though the legislative function of the town was stopped, the actual working of the town had to continue.

There were certain services that the community does provide its citizens, they had to continue. Just this past week, we have identified a member of the department from the regional level in Fort Smith who has indicated that he will go in and act as our administrator, so that we can now free the gentleman from the municipal services to do the work that he is supposed to be doing. That was only an interim measure.

We have not had an opportunity as yet to have this appointment made through a Commissioner's order. We will be doing that at our next Executive meeting, hopefully tomorrow, so that we can place this administrator in Fort Simpson. It will be again for an interim period. We do not want to again rush into or have the community rush into another election. We would hope to have the administrator stay in there for roughly three months or so so that the citizens of that community can then take another evaluation of their

role and then we would in all probability around April try to set up another election. That I hope, Mr. Chairman, indicates to committee the situation in Fort Simpson. It is a step that this government does not like to take; that is, replacing a duly elected body with a government employee to run the operations of an incorporated community of the Northwest Territories. It goes against the grain of local government that we espouse.

The Fort Franklin Situation

As regards the Fort Franklin situation, I do not know whether in fact they are going to secede from the territories or not. There have been a number of statements attributed to Chief Kodakin. We are not sure whether in fact he has said these things. We are trying to determine now whether in fact he has said them himself or whether they have been attributed to him by other people who have reported those incidents that go on. We are not moving with any great haste to go in and to provoke a situation that may in fact have an easier solution to the problem. Fort Franklin is an incorporated hamlet and as such comes under the Municipal Ordinance as regards elections. Those clauses dealing in that ordinance, the sections dealing in that ordinance with the carrying out of a municipal election are set down pretty definitively.

The manner in which the election of members of the council now or those people who say they are the council in Fort Franklin certainly went against the Municipal Ordinance. However, we believe that there are means by which we can accommodate the wishes of the people of that community, if in fact that is what they want and we are not led to believe by any stretch of the imagination that they want it any other way. But we can, I think, accommodate the people in that community under the terms of the ordinance and the operation of the Department of Local Government and indeed the Government of the Northwest Territories. So that I think we can reconcile that situation.

We are not at this point prepared to go in and upset that whole process. I think that we have to be able to, as a department and as a government, set up a dialogue of communication with the people there and to come to some kind of compromise. I do not mean a compromise of the principles of local government that this government has in its mind but a compromise in the kind of situation that will allow people in their communities to set up the best way that they want to run their own government. I think that is the kind of thing that I, for one, would like to see occur.

I am very definite about this. I am not in any way, shape or form saying I do not believe in the institutions of local government as have been developed by this government and by past Houses. Nevertheless, I think that the situation there is reconcilable and we are now at this point attempting to determine whether, what has been said or attributed to the band chief and the council chairman are true. So, once having determined that, then I think that we will of course try to set up a dialogue with them so that we can get the best kind of form of government for that community.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Hon. David Searle.
Provincial-type Authority

HON. DAVID SEARLE: The thrust, as I understand it, of what this House would like to see is firstly the acquisition of more provincial-type authority from the federal government on the one hand and then the passing on of that authority through this body to the local level so that you have as much authority over local matters as you possibly can at the local level. This is called sometimes decentralization and sometimes devolution and sometimes other things. The Department of Local Government is one of the agencies which is supposed to be organizing the local level on a basis on which they can receive and responsibly discharge these various responsibilities.

I also understand that we have taken the view that a tax base is not necessarily the test, where taxes can be paid and a reasonable contribution made to the cost of those responsibilities. Well of course that can be done but it should not be the critical, crucial test that it has been traditionally in southern Canadian society, for if you have that as a test, you will only have two or three municipalities in the Northwest Territories and everybody else will be suffering under an administrator. In other words, your goal of decentralization or devolution will never be achieved if you impose a strict taxation scheme, require the local level to raise taxes to pay for all of those areas over which it has responsibility.

Now, as I understand the Fort Simpson situation, what we had there was such a small number of people paying taxes, that they finally got to the point where they said it makes much more sense to go back, just financially, to an administrative situation than to attempt to carry on on this kind of a basis. That is really tragic, because that is going exactly backwards to the direction that we want to go in. I think that the administration should examine that Fort Simpson situation very very carefully and give some relief to what is obviously a burden of taxation that is too great for the community to bear. I am just wondering therefore, what is being proposed because that sort of thing, if that starts happening everything we stand for, everything we want to happen in the territories will be frustrated. You know, that is where it is at, it is the passing on of this authority to the communities and their accepting that authority and a discharging of those responsibilities, reflecting at the very lowest level the feelings of the people that is going to make a success or not of every single thing we stand for. For this to happen means that the system that is supposed to be implementing all of these great and grand philosophies of ours and the things that we stand for if the system is not working. That must be concluded from the Fort Simpson problem.

A Step Further

Now, I would rather hope that I am in error in concluding that but I am wondering if there is any comment. In other words, I am trying to put the Simpson situation in the context of the over-all approach to government which we are trying to take in this territory. I think that the view we take is a view that is not taken by very many legislatures. We are not talking about regionalizing authority we are talking about taking it a step further than that and taking authority down to the community level in every conceivable possible phase.

If there are tax burdens and tax strains attached to all of these things then it is just not going to happen. It is particularly not going to happen now that places like Hay River, Fort Simpson and Inuvik, which had reasonable hopes of some kind of a tax base, and now those hopes are dashed. So you know what are we going to do I guess is the broad question to ensure that we get authority down to the local authority and that it is done without the tax strings attached

and done therefore in a way that will be accepted and discharged and not turned back. It is just a terrible terrible thing. What is the answer to that? Does anybody know? It is the first knell of the bell of defeat if we are not careful.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Do you want a reply to that? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I agree wholeheartedly with the comments made by Hon. David Searle as regards the difficulty that communities such as Fort Simpson are now undergoing and as a result of this past year or two, the evaluation of what should be done in the territories. I should though indicate to you, Mr. Chairman, and the other Members of the committee that the issue that provoked the department having to send in an administrator was not borne from a difficulty in that community of a financial nature. I have not the financial status of that community at hand. I can very easily get that. It was of another nature rather than a financial one. That does not mean that I do not recognize that communities such as Fort Simpson and most especially Fort Simpson, may have a difficulty in surviving if we are to relate everything to tax base.

The department and the government do in fact provide grants and contributions to municipalities so that they can provide services to the citizens of the communities. We as well in the department and in the government believe, as Hon. David Searle has stated so very well, that we are simply not talking about acquiring responsibilities from the federal government to in fact turn over to this government and leave it there, or even go down into our four regions.

The First Form Of Government

We believe as well that the first form of government is local government, is a municipality form of government. That is where it is at. Council members in a community are closer to the situation and closer to finding out what people want in a community than anybody else.

Fort Simpson has undergone a very traumatic experience and that has been borne out by the turnout at the polls at the last civic election, in Fort Simpson. I think there were less than 50 people voted in that community. That is a very poor turnout of voters, but again brought about, I would suggest, by the difficulties that people have in seeing any future for that particular town if the present economic conditions of the territories continue. I think that with the federal Minister's announcement of the Liard highway it will promote some more interest and hopefully then will promote more interest in civic matters in that particular community.

We attempt to give from the department every bit of support and service to all communities and if it is not enough then we have to find particular other means and other ways. I think Assistant Commissioner Mullins in talking in his early comments on budget indicated that we have taken the recommendation of the standing committee to increase recreational grants to various communities and that will be shown in this years budget. So as far as the Department of Local Government is concerned, we recognize that there is a difficulty and we are attempting to find ways by which we can ease the difficulties that various communities are now having.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. I think I have Mr. Stewart next on the list here.

Financing Of A Town

MR. STEWART: Thank you, Mr. Chairman. I think probably a false conception is fairly general among municipalities that if the council is to resign and an administrator sent in that indeed the territorial government takes over the responsibility of financing the operation of that particular village, town, which of course is not true. The set-up is already in place, the tax rolls and so on, the municipal function is still there and really all it means when an administrator goes in is that he sits down and decides how much tax you are going to pay to meet your obligations. There is no more money coming into the town from the territorial government. I think that should be made abundantly clear. If for one moment I thought that if the town council of Hay River resigned that the territorial government would have to finance it, I would be the first to resign but that is not true. I think that we should make this abundantly clear.

I am disappointed again, however, to see that in the municipal budget we are still mixing apples and oranges; we are still into the position of when the government gives us money relative to the grant structure it does so on a per capita base and yet when it taxes us or wants money from us, it does it on the basis of our assessment. Now, this is particularly going to be very difficult in places such as Inuvik, Fort Simpson and Hay River, where our population is starting to disappear. How many of them are going to disappear is an unknown quantity at the present time, however, certainly it is obvious that our population is decreasing. So by the way of the grant structure we are going to suffer in loss of revenue. However, on the basis of our school tax on assessments, until such a time as we are able to change our assessment roll, in other words, have a whole new assessment, we are going to still have to pay the same tax as we did previously.

So the inequities of this business of grants by way of per capita and taxation by way of assessment, the discrepancies just become that much larger when we are on a decline on population and this is going to be very devastating in the case of a place such as Hay River.

School Levies

We have, at the present time, I believe on page 9.16 under revenues, it says school levies. I presume that means school taxes, is that correct? On the basis of \$1,200,000, the school taxes paid last year by Hay River is in excess of 25 per cent of that amount. Now based on the relationship of the taxes that we collected for municipal purposes as compared to the amount of money that we collected for school taxes, the relationship is somewhere between 40 per cent for school taxes and 60 per cent for municipal business. Those I think are the outside figures. I think it is probably closer to 55 percent for school and 5 per cent for municipal business. So this relationship on the taxation position, due to very extremely high assessed values of land that was done by the assessors of the territorial government in all good faith, now the whole picture gets to a point of being completely and absolutely ridiculous and unoperative.

Now to assume that on a grant structure, once you have a certain amount of infrastructure built in to the operation of administration, the figures on the population base really do not mean that much difference. There is a built-in cost once you get a municipality to a certain stage and a per capita grant for this just is not practical. The same thing is true with recreation. You have an arena and you only have 1000 people. It costs just as many dollars to open that arena and operate it for the winter as it does in Yellowknife where you have 9000 people, yet our possible revenue is decreased in direct relationship to our population for the operation of that arena, so we have got to change this. We have been at this time and time again. There have been papers supposed to have been written on it, the Association of Municipalities has been pounding at this, to try and pull this thing back into a relationship that is fair.

An Easy System

The present method is not fair and with a decrease in population in certain areas, these inequities are going to get just that much further apart. I would hope that during this debate that we may be able to come to some agreement with the government realizing what the situation is and not allow it to continue --- I know it is easy. It has got to be the easiest thing in the world to give grants on a per capita base. That is an easy system, but if you are going to do that, then turn around and charge your school taxes on a per capita base.

It is really not fair to do one thing in one way and the other in the other. It is just, in my mind almost criminal. I mean, in business, you would not be allowed to do things like that. I know that the government has been trying to find a different method. Well I suggest to you the method is very damned easy. If you want to give grants by per capita, charge school tax by per capita. Then we at least have some built-in equity. Thank you.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. I think just before we go any further, I owe an apology to Mr. Butters. I think he wanted a special date set aside for the Department of Economic Development.

MR. BUTTERS: Mr. Chairman, I will discuss this with Members and make a motion to this effect later on.

THE CHAIRMAN (Mr. Fraser): Comments? Mr. Nickerson.

The Right To Secret Ballot

MR. NICKERSON: On the second point originally mentioned by Mr. Butters and that deals with Fort Franklin, I understand from the Hon. Arnold McCallum's answer, a rather non-committal answer, that it is the government's intention to let sleeping dogs lie for a time and let things cool off before trying to deal with this problem. But Hon. Arnold McCallum spoke of accommodation and reconciliation and eventually coming up with some kind of solution which is satisfactory to both the Government of the Northwest Territories and to President Kodakin of the Republic of Fort Franklin. But these seem to be two things that in my mind are very hard to accommodate, if I understand the issue correctly. The issue seems to be that Mr. Kodakin and his colleagues want to have a municipal election with a show of hands deciding who is to be voted in or who is not to be voted in.

Now in the rest of Canada, whether it be municipal elections, federal elections, provincial-territorial elections, we consider one of the bases of freedom in this country to be the inalienable right to secret ballot. So, how is it going to be possible to accommodate these two things? I would imagine it is going to be very very difficult, if not impossible.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Nickerson. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I would agree to a point with the Honourable Member that the solution is not going to be very easy. There is no question that I am not under any false impression or illusion that it is going to be easy to reconcile the differences and the way in which the people of Fort Franklin, from what we can gather, want to conduct their elections as opposed to what has been done in other parts under what we call the institution of the secret ballot and everything else.

Attempting A Solution.

We have already attempted to provide a solution to them that did not meet with any success. We would hope to explore others. I recognize as well Mr. Nickerson's comment in colloquialism, I kind of stick-handled around. I do not mean to indicate to him that we are going to let sitting dogs stay there and not do anything about it. I think that we have a responsibility to this House, because it has been this House who has in the past approved the kind of program of establishing various local government institutions and we would hope to be able to see that a form of government as we know it will continue. Then it would be very easy for us I guess to go in and to simply say to the people, look, those are the ground rules; play the game that way.

At the present time, our considered opinion within the department is not to play it, to go in and actually do that. It would be an attempt to get the proper people and the present members of that council to come to grips with the situation so that all things are being done. We can, I think as well, under the Municipal Ordinance you know, they could go back into a settlement status and I do not like to see that happen because they are incorporated and as Hon. David Searle said in the beginning, that is a backward step. But there is no easy solution to it all I do not think, in this particular case. It may be, very quickly, to say yes sure there is an easy solution to it, go in and tell them that is what they are going to have to do but I do not know in fact whether that would be the thing at the present time. It is not that we have a reluctance to uphold what we believe to be right. I think it is more on the department and the government, the administration, to try to reconcile the situation. I can not offer any more to Mr. Nickerson or to other Members other than that. I recognize that there is going to be difficulty.

Assessing Of Taxes

If I may, Mr. Chairman, I would just like to indicate to you and to Mr. Stewart and to other Members, on his comments. We recognize that there certainly are inequities in the Taxation Ordinance, the way in which taxes are assessed and the difference in the application of grants and there are of course inequities in various communities due to the implementation under the Taxation Ordinance. Given the available manpower that we have, we can only implement that gradually over a number of years and priorities have to be established on various bases, on a rationale to try to get the best situation. There are inequities between businessmen, home owners, renters and in some cases the present state of affairs becomes, to a great degree, a disincentive for home ownership.

We have attempted, as Mr. Stewart well knows over the years, to try to come to grips with the problem of the school levy, together with the Association of Municipalities. By tradition, of course, school taxation across the country has been on property. There were many people in many particular communities not only in the territories but across the country who have property, who have a house and have no children and have never had children going to school. They are levied that particular tax as well. It is a difficult problem. I do not know whether the solution again is as simple as Mr. Stewart has indicated, that if we are going to tax or make grants on a per capita basis that we tax on a per capita basis. That would have the implication of changing the entire structure of taxation here in the territories and maybe that is a good thing.

There would be howls, I guess from others that it is not the easiest way. The solution is more complex than has been offered. That is not to say that the department has not been attempting to come to grips with it, to provide some kind of answer to the problem. We worked very closely with the Association of Municipalities in this regard but I do not know whether we have an easy solution to this whole problem of taxation and the cost of operation of a municipality, be it city, town, hamlet, village, does become very complex.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. Arnold McCallum, would you like consent from the House to bring a witness into chamber?

Director Of Local Government

HON. ARNOLD MCCALLUM: Mr. Chairman, I think that when I first was in committee of the whole responsible for a particular department, I had asked at that time if the director of the department could come sit by my side and it was I think at that time, that the committee acquiesced to that and said yes, that that was okay, I can hold his hand or he can hold mine, but not as a witness. I am not asking you to accept Mr. Elkin, director of Local Government as a witness, but he is going to hold my hand, or is he going to tell me?

THE CHAIRMAN (Mr. Fraser): Thank you. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

HON. ARNOLD McCALLUM: Thank you.

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

HON. DAVID SEARLE: As long as Hon. Arnold McCallum does not sit on Mr. Elkin's lap I think we are okay. Seriously, looking back at the Fort Franklin matter, do I understand the Minister to say that there are a group of people acting as duly elected councillors and chairman of an incorporated hamlet, running that hamlet, who were not properly elected, who presumably are spending money and doing things like that? Is that what is happening there?

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

HON. ARNOLD McCALLUM: Mr. Chairman, there is a local council in the community of Fort Franklin who have been elected by people of the community in a manner that is different than what is normally...

THE CHAIRMAN (Mr. Fraser): Is it a council or a hamlet? I think it is a hamlet, is it not?

HON. ARNOLD McCALLUM: Yes, the council people in that hamlet of Fort Franklin have been elected by people in a manner that is different than the way other councils have been elected, that is true.

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

HON. DAVID SEARLE: And having already heard the Honourable Minister say that the department has taken a let sleeping dogs lie or hands off policy, at least temporarily...

HON. ARNOLD McCALLUM: No, I did not say that.

HON. DAVID SEARLE: You did not?

HON. ARNOLD McCALLUM: No.

A New Election

HON. DAVID SEARLE: Well then what legal action are you taking to set aside the improper election and to direct a new election to be taken?

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

HON. ARNOLD McCALLUM: At the present time, Mr. Chairman, we are not taking any legal action to set aside that election. What I indicated to you and to Members of the committee is that the department is attempting to come to grips with the situation and we believe the people of that community, that is the way they would want to carry on their election. We are trying to come to grips with that exact problem; that normal elections under our institution are carried on a secret ballot. There is a nomination date. It closes. Those people put their names up for election. The election is held on a particular day. The ballots are processed. The voters vote on a secret ballot. That is the way elections are done under our institution.

The people of Fort Franklin wanted to have it in a community meeting, a public meeting and at the public meeting where this occurred there are approximately 180 eligible voters in that community and at that public meeting there were over 100 people there and they wanted to conduct their election by a show of hands. Now we have talked many different times about laying something on local people that is foreign to them, not just in local government, but in a number of other areas; education. We think that though this does not go along with what we would like to have. We think we should be able to reconcile that situation to accommodate the wishes of the people of that community and still come to grips and to have elections and the whole process of local government still continue in Fort Franklin.

SOME HON. MEMBERS: Hear, hear!

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Stewart. Hon. David Searle, you are not finished yet?

Amending The Legislation

HON. DAVID SEARLE: If I may say so, Mr. Chairman, that either you have a hamlet that complies with the legislation or you should amend the legislation and provide for something else. If you are not prepared to amend the legislation and provide for something else, maybe you want a Fort Franklin hamlet ordinance all by itself. I do not know. I appreciate the dilemma that Hon. Arnold McCallum is in and I appreciate further the fact that the legislation that we have in place with respect to municipalities does not recognize what one might call their traditional way or consensus way of arriving at who might be band council chief or something.

However, as has been indicated, a secret ballot guarantees that the people who are entitled to vote and no one else does, are very important things to have and unless there is some legislative basis for their waiver or an option to do something different, it seems to me that you do not have much choice but to move in and set that sort of election aside and enter into a phase of community education that points out why things must be done in another way. In conclusion, Mr. Chairman, I think that you have either got to amend the legislation and provide for some kind of option or you have got to move in and set the election aside even if you have to take judicial action. It is one or the other.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Mr. Stewart, I think is next on the list.

A Breakdown Of Democratic Procedure

MR. STEWART: Well, Mr. Speaker, I must agree entirely with Hon. David Searle that really I realize the dilemma that you have found yourselves in but this really could be the beginning of a complete and absolute breakdown in the whole Northwest Territories of the democratic procedure as we know it and which is the right of secret ballot and to be elected properly.

Now it would appear to me and consider this for a moment, but it would appear to me that you have to send in an administrator to administrate that hamlet the same as you have done in Fort Simpson, until such a time as they are prepared to carry on their election properly. If that administrator has to stay there an indefinite period, well that is the way it would have to be. What are you going to do if the citizens of Fort Simpson decide to hold such a public meeting and by a show of hands, decide they are going to elect their people this way? Are you going to say well no, you are a little larger, you know a little better, you can not do that, but they can do that some other place. So really when you are into such things as elections that have definitely laid out procedure, I do not see how a department can possibly agree to such a procedure as used in Fort Franklin. I think you have no alternative but to send in an administrator and the sooner you do it I think the better off we are all going to be.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Deputy Commissioner Parker, I think you are next on the list.

DEPUTY COMMISSIONER PARKER: Thank you, Mr. Chairman. I would just like to continue the line of response and discussion that the Minister has been following and perhaps strengthen his position with further words from another member of the Executive. It is not that we have any intention on any long-term

basis of setting aside the properly passed and enforced and in-force ordinances, but it is very very much a matter of timing. As has been explained, we are very anxious to clarify this situation and we do not consider that public statements made by some persons on behalf of others necessarily constitute a full clarification of the situation. We feel that it would be probably the worst possible thing that we could do to react immediately by moving in and cancelling the hamlet status or placing the hamlet immediately under administration.

Lack Of Understanding Of The System

There is a lack of understanding in that community, obviously the system that we support under this ordinance and rather than lose the whole war, we feel that it is very very important to go at this reasonably gently and to assure ourselves of the position that is being taken by the chief and the chairman of the hamlet council and by the people that support him. In the long run, there is no intention that the hamlet ordinance can be modified through usage or just simply set aside, that really is not an alternative, of course, and that is not what we are proposing. In the long run, if the people of that community say that they do not wish to follow the normal forms and format of the hamlet ordinance, then I suppose that the hamlet there will have to be set aside and a different or perhaps lower form of local government adopted. We think that this is something that can be examined very carefully and perhaps with a certain amount of caution.

I think the worst act that we could do would be to rush in and wave the flag, as it were, and say well this is the law, it must be done this way. This really tends to go right to the heart of the whole discussion of local government in the Northwest Territories today. If the form of local government in any given community is simply not acceptable to that community then our insistence on it is not going to make it any more acceptable, probably even less acceptable.

In summary then, we are not setting aside the hamlet ordinance. We are, though, playing for a little time until we have an opportunity to clarify very very carefully what the position is of the leaders of that community. It is a very significant feature when as many of the voters in any community do turn out to discuss a situation. I must say that the kind of turnouts that there have been to their meetings up there have exceeded any of the turnouts in the seemingly more sophisticated communities around this area. So I would just hope that the Minister and the department will be given an opportunity, while not trying to change the law or trying to get away from it, but be given due time and due course to determine the true picture and the true situation with regard to the views of the local people and the actions that they would like to see taken.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. I think I have Mr. Pearson next on the list.

Policies Versus Traditions.

MR. PEARSON: Thank you. I was most interested in the comments I have heard this morning because of the situations that we have run into in Frobisher Bay over the time and presently we are on a fairly stable course but who knows how long that will continue. I think Dr. Louis Hamelin when he was a Member of this House, pointed out, and I think very clearly at the time, that local government and the policies of local government were on a collision course with the communities and with the traditions and the ways of the people and that many of the things that we have introduced into the North are foreign concepts and foreign ideas. I appreciate that there is a Northwest Territories ordinance governing municipalities, and I also appreciate the view that the Deputy Commissioner indicates; that you can not rush into these communities with the storm troopers demanding that they behave themselves and do things as laid out in the ordinance.

These are foreign concepts to people; voting, having meetings of this sort, having a chairman and the procedures are very foreign. Rules of procedure are very difficult for people to understand. Although by usage things are improving, if that is the word. People are getting used to them. The members of my council, the people in the Baffin region, are becoming familiar with sort of the white man's ways of doing things. Whether they agree with them is another matter. Dr. Louis Hamelin has said, and I think he is right, that eventually there will be a collision and these collisions are occurring I think on a more regular basis over the past couple of years and I think there will be an increase in these collisions. One of the reasons for these so-called collisions is ignorance on the part of the people in these communities to the procedures and methods by which we operate; ignorance on our part as to the traditions and the ways of life of the native people of whom we serve. I think that perhaps one of the greatest problems that we have is the lack of education programs instituted by this department to municipalities and to organized communities; a lack of education in the education system itself to local government.

Political Programs For Schools.

I was sent a rough outline of a scheme that was to be implemented in the schools in the near future for a program of education for students into the ways of politics, and it dealt with all the highfaluting political systems around the world; United Nations and Ottawa and the provincial parliaments and everywhere else. It gave hardly any time at all to local government and yet the majority of the kids in the schools will never have an opportunity to go south. They will live the rest of their lives in these communities.

So there was very little effort made in this paper to teach the fundamentals of local government and self-government within organized and disorganized communities. The Department of Local Government has branches within it for some kind of education procedures and of course we all recall vividly the problems they ran into just about a year ago when they were trying to teach people things which they felt were important to them. They were promptly slapped down and removed forthwith. The training and research branch or whatever it was called, I do not know if that department has recovered yet, whether that department has behaved itself and is back in good graces. I have not heard much from it lately. The municipal branch of the Department of Local Government at one time, and perhaps still does, has two men whose sole responsibility is to cover all the municipalities in the Northwest Territories. How the hell these two men are supposed to do this surprises me. I think there has to be a very close look, a very close scrute, as the Honourable Speaker would say, to this department and that consideration has to be given to the ways of the native people.

Control Over Elections.

The matter of decentralization, as people in the communities are getting control over such things as education and liquor and all these other things, then why should not they be given control over the way in which they have and hold elections if they want to do it that way? Then why the hell should somebody in Yellowknife be dictating to them as to how they should do things, when perhaps in Fort Franklin they have been doing it by show of hands for the last 5000 years. I think that the local government requires a very close examination and that we need to see and re-examine the guidelines and where this thing is going, because right now it is in conflict.

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

Breaking The Law

MR. NICKERSON: One of the worst things about this particular discussion, Mr. Chairman, is that everybody is right. The presentations made by the Executive might make it quite clear that the Commissioner is in fact at this present time breaking the law. He is recognizing, for the purpose of administering public funds, a body in Fort Franklin which is of an illegal nature, the election of which was not done in accordance with the terms of the Municipal Ordinance.

I do not think that under any circumstances the Commissioner should break the law and if there is any law he should not break it is laws made by this Legislature. However, the approach outlined by the Deputy Commissioner and the Minister of Local Government, a kind of low-key approach, makes a lot of sense but to my way of thinking, it must be done in accordance with the law. There is no alternative, it has to be done that way, so what I would suggest is that the administration might like to come forward at this session with an ordinance enabling them for a short period of time to recognize this so-called council in Fort Franklin, if that is what they want to do. Such an ordinance should obviously have an expiry date on it, it is not something that we would want to get into, to allow it to continue indefinitely. In doing that, it would enable this consultative process to take place and it would not leave the Commissioner clearly in contravention to the law of the Northwest Territories.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Nickerson. Seeing as Fort Franklin is in my constituency, maybe I will get consent to say a few words, protect it a little bit.

SOME HON. MEMBERS: Agreed.

Nothing Will Change

THE CHAIRMAN (Mr. Fraser): First of all, they have been holding these elections for quite a few years after they became a hamlet. They did not change anything, the people that were in power before it was made a hamlet were still in power after and they still will be, regardless of what kind of legislation you put out.

If there is a solution to it, like Mr. Nickerson said, maybe draw up some more legislation, we have not had much luck with what we went through so far and we have been spending two hours on this Fort Franklin. We have got another 52 settlements to go through, so I do not know if there is a solution. If somebody wants to come up with some kind of a solution, I am sure Hon. Arnold McCallum would be glad to accept it but I think we are getting a little technical when we start dealing with one small item which nobody has got a solution to anyway. The chief there is a settlement hamlet council chairman. He is the chief, he is the president of the trappers' association, and he is God in Fort Franklin. So how are you going to change that? If you have got to change legislation, if you have to do it well go ahead, but let them carry on and let them -- I will say it if Hon. Arnold McCallum could not say it, let sleeping dogs lie, they are carrying on their work, they will come up with a solution but let us get on with the budget. Any more comments? Hon. David Searle.

HON. DAVID SEARLE: I can appreciate your embarrassment but I think that there is an important point in principle here. I think it goes to the whole debate that is going on in the territories today, which is the debate on the one hand by the Indian Brotherhood who say that our institutions, particularly of local government, do not suit the needs of the community. They are not in accordance with the customs of the people in these areas.

SOME HON. MEMBERS: Hear, hear!

HON. DAVID SEARLE: Therefore, here we have in Fort Franklin a community where the people are prepared to participate in let us call it white man's municipal institutions but after they get there in accordance with native custom or with the custom of that community. Now, I do not see what is so bad about 90 per cent of the community attending all together at one hour in a community hall and voting with a show of hands as long as it is not contrary to law.

MR. PEARSON: It is cheaper.

A Cheaper Way Of Voting

HON. DAVID SEARLE: Well, it is cheaper. You know, something new is emerging here to me and that is that instead of designing a municipal ordinance that is to apply not only to all levels of municipalities from hamlets through to cities, maybe we are missing the boat. Maybe we should be looking at the settlements in the Northwest Territories on a community by community basis and while all the time protecting democracy in terms of making sure the people who are ultimately elected are done so as the free will and choice of the people. Notwithstanding that, maybe we should be changing the systems in certain places to reflect the wishes of the local people and maybe there is a way of determining those wishes and providing for it. I know the problems are thorny but to me this is a new concept. I have always accepted automatically that it all has to be the same all over the place and I think that may be one of the problems that we are having. It may be in this whole constitutional review one of the things we should be looking at; being more receptive to local customs and local needs.

I do not think we can properly ignore it; but on the other hand, I think we should be willing to consider some new and exciting means that may be different from place to place, as we have with the liquor legislation. I mean, when you consider there is about eight different liquor laws in the Northwest Territories, you can drive down the Mackenzie highway with liquor in your car, but as soon as you get near Rae you better not have it in there, but then you can have it in there after you drove by. I often think of the judicial party flying around this territory. It used to be that one could keep a bottle of whiskey in his briefcase but as you go in and out of the communities administering justice, some there is abolition, others there is restricted possession, still others it is open house. Maybe we have to start thinking that way with respect to hamlets.

SOME HON. MEMBERS: Hear, hear!

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Anybody else for Fort Franklin? Mr. Lafferty.

A Reflection Of Cultural Values

MR. LAFFERTY: Mr. Chairman, I think in the last spring session in my reply to the Commissioner's Address I had briefly touched that very thought; that our legislation in the Northwest Territories should reflect the cultural values and customs of the people. Of course, this is desirable, but it would be so difficult simply because the customs and cultures of people are very diverse. They are different in some instances from community to community in the Mackenzie Basin. Thus, I foresee many many difficulties in the long drawn-out consultations

with various groups. Nevertheless the body that is sitting here as we have consistently said, are representative of all peoples of the Northwest Territories and as such, everybody including Fort Franklin people have participated in the election of this body and I feel that whatever the outcome of their dilemma, in the meantime, they must abide by laws that are duly and justly passed by this Assembly and that is the principle that I believe in. In that sense, I feel that there is an infraction of the laws that have been passed by this House, by that group.

Whether they like it or not, the law exists and until such time that we make amendments or changes to this law upon their request through this House and their representation, they would have to live and abide by it. Myself as a native person and as a native born person who is familiar with most of the Mackenzie Valley customs and traditions and languages I differ greatly with some of the practices that is at the moment being found.

Traditional Leadership

I think that the idea of a show of hands if a community chooses, there is nothing wrong with that. Nevertheless if we are to consider the customs of the people or the traditions of the people, their traditional leadership, there was never a tribe in the Northwest Territories that I know of even in my youth; they were individual Indian families and their elected leaderships were only for a specific purpose to fill a specific role and it ended as such and this goes right back to Fort Franklin. I was there back in the year 1949 and this was the custom of the people there, as well as customs of the people of Fort Simpson. They gathered once a year. They elected a representative for a specific function and when that function ended, with it the leadership ended. However they had a regional grand chief who was not really the policymaker or anything like that and great big districts. If anything he was purely and merely a spokesman. So if this was the tradition of the people then I think that we have to think very very carefully and look at the conflicting views that may arise from our efforts to resolve some of the problems or the dilemma that we have found ourselves in on some of the things of today.

It is not a local thing in Fort Franklin or for that matter the incident in Fort Simpson it is not purely a local thing. It is rather the whole valley and perhaps even broader than that probably even at the national level that problems or differences among people lie. It is a force which is being generated by various political interest groups and much of it is ideological though in that sense I accept the cautious approach being expressed by the Executive Members. However I feel that there is an infraction of the law that this House passes. On the other hand, I feel that it is an insult to a people who are elected by the majority of the Northwest Territories residents and that majority my friends and colleagues is largely native; whether they are Indian, Eskimo or Metis. They do constitute the majority in the Northwest Territories and the practice of a few is an absolute insult to the people.

MR. CHAIRMAN (Mr. Fraser): Thank you, Mr. Lafferty. Mr. Butters, I think you are next.

MR. BUTTERS: I wish to comment on both the Fort Simpson situation as well as the Fort Franklin. So, possibly not to change the debate I will wait a little bit longer if there are more comments on Fort Franklin, otherwise I will speak now.

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

A Hamlet Ordinance Proposed.

HON. ARNOLD McCALLUM: Well Mr. Chairman, I would just like to say that I appreciate the suggestions and advice that various Members have given in terms of how to come to grips with this particular problem. If I may, I would like to indicate to this committee and to Members that there is a move afoot now originated by the Baffin regional council to propose a hamlet ordinance because obviously there are certain aspects of the Municipal Ordinance that may not be applicable to hamlets or that level of government. However, from what we know in the department that what the Baffin regional council is proposing in terms of a hamlet ordinance will not contain anything of a radical change. There will be various changes and I can not identify those as yet but we would like to be able to propose legislation that will allow flexibility without giving away principles of the democratic institutions as we know them.

So we are attempting to do something in terms of a legislation that will cover situations that may arise and we as a government and as a department recognize full well the implications of allowing or having this kind of a situation arise now and in the future. We are under no illusions that there may be very serious implications to the framework of government as we know it.

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

Destroying The Democratic System

MR. STEWART: Well Mr. Chairman, I am afraid I have to remain very adamant on this particular point. I think the development of democracy as we know it the whole basis of democracy is based on secret ballots. Once you remove that you have in effect destroyed the most important part of your democratic system. The show of hands or publicly voting was found to be completely unsatisfactory because of the many abuses of power groups that may be indeed attending the meeting where life and limb even might be at stake depending on how you voted. It was for this reason that the secret ballot was introduced, to give a person the right to vote as they chose without having to do so publicly where they may indeed endanger their lives.

I am not suggesting that this is necessarily so at Fort Franklin but it is such an important matter, that it is something that I personally just can not in any way shape or form condone. If the Commissioner wishes to accept this group and call them a community society and give them a few public funds to do community work, fine and dandy, but not as a representative group that comes under the name of a hamlet. The moment you start monkeying around with that, we are going backwards.

This thing did not evolve over just a few years, this is a matter that has been developed over centuries and without it gentlemen, you might just as well forget about democracy because there is no way that by a show of hands that outside influences do not creep in and make the whole thing a farce. Now that is basic, that is why there is a secret ballot and if we once allow ourselves to take that right away from the people -- if there was only one person in Fort Franklin who demanded the secret ballot, they should have the right to that and without that right you have destroyed your democracy. You have destroyed your whole system. As far as I am concerned I do not want any part of it. If they do not conform to procedure I think we should send in an administrator and take over the place until they are ready to carry on an election properly or else call them a community society and fund them that way, if you wish, but certainly they should not have hamlet status.

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

What It Takes To Be A Hamlet

MR. STEEN: Thank you, Mr. Chairman. I have been listening for a long time and I would like to say that I have been through the mill since we began coming off the land and working up into the position where I am at the present time. I went through the process of starting our own government in the community, what they called at the time, a community association, and it was run similar to native organizations before that, small, little, tiny, wee associations in each of the smaller villages. They found that was not very effective to be a community association, so they tried to get some more results to their requests. So at that time there was a federal administrator in the community where I had been and we found out he was no good either, so we went on and became the first hamlet of the Northwest Territories where we do not get all the results we want but we are sure getting more results than any of the other organizations that we had set up to get to that particular place. I think that if we recognize this kind of election that Fort Franklin is trying to humiliate us, not only us but trying to stir up a commotion in the Northwest Territories. Where does this stop if we try to recognize this?

I mean, if they want to stay with the kinds of organizations that they have been used to, well let them go that way, but to be a hamlet, I think we should state what it takes to be a hamlet and what rules you have to abide by. Personally I would go along with the administration and say okay, maybe it is no good to walk in there too fast. I think it will go away if you do not try to rush things. People will tend to see just the differences between the two or three organizations that they may run in Fort Franklin. As a matter of fact, when we became the first hamlet in Tuktoyaktuk, Fort Franklin came there to see how we were running that hamlet, so they decided to try the hamlet's version of government, or local government. Now I think it is like some Members said, it is a lot easier to vote by a show of hands than to hold an election. I think that is what it really is, I may be wrong, but it could be that there are outside influences trying to change that.

Influence Of Indian Brotherhood

For instance, we see the Indian Brotherhood operating in that fashion, where they show a picture on the back of their page, or the Native Press back of the page, colonialism or Dene nation, show of hands. I think that had some influence on the people of Fort Franklin. In Inuvik we see another kind of an election run by the Committee for Original Peoples Entitlement and that one goes into your house and the person does not leave until you have put your name down on a piece of paper. You know, you try to approach these people, the ones that bring the ballots into the house and well they just laugh, you know and say that is the way I like it. They just make fun of the organization that we have or the system that we are known to accept. So, I go along with the administration. Thank you, Mr. Chairman.

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

Motion To Legitimize Municipal Government In Fort Franklin

MR. NICKERSON: Yes, Mr. Chairman. I wish to move a motion dealing with the municipal situation in Fort Franklin and the motion reads as follows: I move that the administration be requested to legitimize the municipal government at Fort Franklin during this session of the Legislature.

THE CHAIRMAN (Mr. Fraser): Did the administration hear the motion? Mr. Nickerson, would you repeat that motion please.

MR. NICKERSON: The motion is: I move that the administration be requested to legitimize municipal government at Fort Franklin during this session of the Legislature. If I might speak on that, Mr. Chairman, I will explain what I really mean.

THE CHAIRMAN (Mr. Fraser): Mr. Nickerson, go ahead.

MR. NICKERSON: My main concern in this whole affair, Mr. Chairman, is that the Commissioner is, in my opinion and I think a court would find this also, acting illegally and I can not abide to see this happen. So what in effect this motion would do would be to make sure that municipal government in Fort Franklin was carried out according to law. Now, I have purposely left the method by which this might be done to the discretion of the administration. It might be done by a variety of ways.

First of all, we could take Mr. Stewart's suggestion and put an administrator in there. That would be according to law. Secondly, it might be possible within the next few days to work things out in Fort Franklin and hold a legal election. The third alternative that comes to my mind is, and there may, of course, be more but the third one, as I suggested before, to come forward with a short ordinance that you might wish to call it the Fort Franklin council extension ordinance and extend the period of the previous council which was legally elected or some legal technicality that enables municipal government to function in Franklin, to allow the administration and the people of Franklin the time they need to sort things out, but to do it according to the rule of law.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Nickerson. To the motion. Mr. Commissioner.

An Awareness Of Politics

THE COMMISSIONER: Mr. Chairman and Members of the House, I understand the motion and I understand what the concerns of Council are. I am, I think, aware of what the concerns of Council are because they have passed an ordinance and they are being asked to pass a budget in which funds are being asked to be spent to do certain things. I appreciate the responsibility that is involved here and I know that the Council does not take its responsibilities lightly.

Having said that, we are also aware on the other side of the coin, of the political nature. When you get phone calls from thousands of miles away and people in the media whom you do not normally talk to or hear from, advising you, requesting you on Fort Franklin leaving the Northwest Territories, well my answer is simply I do not think Fort Franklin can leave the Northwest Territories any more than the Northwest Territories can leave Canada. I am also aware that the new look is, in the minds of some people, is to try and find pressure and tactics and develop means of placing the administration, either federal or territorial, or in some instances provincial, into positions whereby if they do not do what is being demanded that services will be withheld from certain people's houses. Well there is an old saying in this business that for every action there is a reaction, but there is another thing, that if at all possible you try and avoid the irresistible force against the immovable object.

On Breaking The Law

So I think I understand what the mover of the motion is after and I appreciate the points of view that have been expressed here and with a little time, this gives us some time to work, I think that we might be able to do just what you want. We may do it a little differently but as Mr. Nickerson said, there are a number of options and we have it in hand I think. We will be able to tell you towards the end of the session, I hope, that things have improved. But we do not wish to, nor will we become involved in breaking your laws any more than breaking the laws of Canada. I remember a number of years ago I said that knowingly I have never attempted to break the law, nor would I. Sometimes I perhaps have broken it because I did not know there was a law there but I think we know what you want and based on your motion, we will go to work on it.

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

MR. BUTTERS: The motion sort of prevented me from making the remarks I wished to make on Fort Franklin, which I deferred but which I intend to make now, unless you rule me out of order. I think there was a debate...

THE CHAIRMAN (Mr. Fraser): Is it to the motion?

MR. BUTTERS: It is before the motion.

THE CHAIRMAN (Mr. Fraser): You are late, you are a little bit late, we are dealing on the motion right now, unless you can get unanimous consent from ...

MR. BUTTERS: Well let us see, I have not said anything yet.

---Applause

THE CHAIRMAN (Mr. Fraser): For the motion.

MR. BUTTERS: The motion deals with requesting the Commissioner or -- what is the motion, that the Commissioner legitimize, is that the word?

THE CHAIRMAN (Mr. Fraser): Legitimize the municipal government at Fort Franklin during this session of the Legislature.

MR. BUTTERS: I think the action taken to date by the administration has been most commendable. Obviously, the administration has been attempting to implement, if not the letter of the law which this House provides them, at least implement the intent of the law because there have been many expressions of opinion heard around this chamber today. It would appear to me that our Minister and the administration have attempted to implement these various and sometimes contradictory directions from this House and I think they have done very well.

Specifically with regard to the motion, I can not support it. It has nothing to do with the concept at hand, I do not agree that we have accepted that there is anything illegitimate to have occurred. The Honourable Member who produced the motion may believe it to be so but I do not know that it is so and if I vote in favour of this motion, what I am saying is that the current situation is illegitimate. I do not believe that. I think that, and you will recollect that the motion says that the Commissioner legitimize, not the Minister, but the Commissioner. And the Commissioner, in accordance with the Northwest Territories Act, section...

THE CHAIRMAN (Mr. Fraser): The motion does not say that at all. Maybe I should read the motion back. I move that the administration be requested to legitimize municipal government at Fort Franklin during this session of the Legislature.

Administration Of Government

MR. BUTTERS: Thank you for clarifying that but the clarification makes no difference to the point I was making. Mr. Nickerson has pointed out many times that the Commissioner is the administration. The administration is the Commissioner, if I understood his opening remarks or his reply of yesterday. Section 4 of the Northwest Territories Act says "The Commissioner shall administer the government of the territories under instructions from time to time given by the Governor in Council or the Minister." To support that motion, one would have to assume that the Commissioner here is -- the administration is acting illegitimately. Well, I have seen no proof to suggest this and as a result, can not support the motion.

The second thing is while we may give directions and give advice, it is extremely difficult to advise an administration of the timeframe in which some objectives should be obtained. To set an objective for this session I think is really instructing the administration in areas in which they are better able to determine and take action than we would be. So I think the latter part of the motion is redundant and self-defeating.

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

MR. STEEN: Mr. Chairman, for the benefit of some of the others like me, we would like to know what that word means, if we could have an explanation on it.

Definition Of Legitimize

THE CHAIRMAN (Mr. Fraser): Could we have the Legal Advisor explain that word legitimize to Mr. Steen?

LEGAL ADVISOR (Ms. Fliieger): In the context of the discussion, Mr. Chairman, I think that the word legitimize is used to mean legalize more or less or bring into accord with the law governing municipalities.

THE CHAIRMAN (Mr. Fraser): Does that satisfy you, Mr. Steen?

MR. STEEN: Well, Mr. Chairman, I am confused now. I would like to know whether legitimize, that is the word, the situation that is in Fort Franklin now. What I mean to say by that; will they legalize the show of hand concept? Does the motion mean that, Mr. Chairman?

THE CHAIRMAN (Mr. Fraser): Mr. Nickerson, could you clarify that?

MR. NICKERSON: Mr. Chairman, what I mean by legitimize is to make legal and as I explained earlier, there is wide varieties of methods by which the administration could make the situation legal. That would be one alternative. They certainly could bring forward an ordinance to this House to allow elections to take place by a show of hand, if that is the route they chose to take. That is just one alternative. I would think that something like that, that the administration would not attempt that solution. That would be something that would need a great deal of discussion but there are a variety of methods by which they can make the situation legal.

THE CHAIRMAN (Mr. Fraser): Mr. Steen, does that satisfy your question?

MR. STEEN: Yes, Mr. Chairman.

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

An Interpretation

MR. PEARSON: My interpretation of the motion is that there would be an attempt made by the administration to go in, to remove the offending people, to

have an administrator take over the affairs of the community and boil all the councillors in oil. I mean, that is how I read it or interpret it, Mr. Nickerson. I therefore, on that basis would not vote for it. If you would like to convince me otherwise, you may have a go.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Mr. Nickerson, do you want to let your motion stand, now that he has explained it a different way? Mr. Nickerson.

MR. NICKERSON: Well I certainly object to a deliberate misinterpretation of what it says. It is written in clear, concise English and it certainly does not say what Mr. Pearson says it does.

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

MR. STEWART: Mr. Chairman, I am in the opposite position of Mr. Pearson, as usual. My concern is that it does mean the possibility that they may legalize this show of hands and this of course, is completely and absolutely unacceptable to me.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Mr. Pearson, I wonder for the benefit of the Legal Advisor, if you could just repeat, she was talking to the Commissioner at the time, she did not hear your comment.

MR. PEARSON: I do not know if I can remember them, but it seems to me that my interpretation of the motion is that the government would go in, remove the present council from office; shoot the chairman, boil the councillors in oil or something like that, or worse and therefore I would not support it on that basis. That is my interpretation of the motion and I read all kinds of strange things into Mr. Nickerson's motion anyway.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. To the motion. Mr. Steen.

Not Understanding The Motion

MR. STEEN: I guess I am coming down to the same thing again. For the reason that Mr. Pearson has said and for the reason that Hon. David Searle, or Mr. Stewart has said therefore I will have to abstain from voting on the motion because I do not know which is which. I do not know if they are going to legalize the present system, or the present show of hands or to accept all the different forms of government in that community and you know, I am at a loss, it could be both.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Steen. I think it could mean both according to the Legal Advisor, the interpretation could mean both. Mr. Butters, to the motion.

MR. BUTTERS: Mr. Chairman, I wonder in view of the Commissioner's assurances, almost directly to the mover of the motion that he recognizes the problem and that the administration will take some action along the lines that has been suggested by this body, that possibly the mover might withdraw it. In view of the fact that a number of Members do not understand just what is being implied here and as it is somewhat ambiguous and to make it a more productive session that the motion be withdrawn rather than voted on and have a number of Members abstain.

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

MR. NICKERSON: Mr. Chairman, the motion is not ambiguous. Any difficulties that Members might be having understanding what it actually says, I am sure are manufactured and I insist on voting on it, even if I am the only person who does, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): I hear question being called.

SOME HON. MEMBERS: Question.

Motion To Legitimize Municipal Government In Fort Franklin, Defeated

THE CHAIRMAN (Mr. Fraser): To the motion. All in favour? Contrary?
Motion defeated.

---Defeated

Members, I recognize the clock as 1:00 o'clock p.m., so we will recess until
2:30 o'clock p.m. Agreed?

SOME HON. MEMBERS: Agreed.

---LUNCHEON ADJOURNMENT

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. For the Members that were not familiar with what we were dealing with, we are dealing with directorate on page 9.02. Main estimates. Mr. Nickerson.

MR. NICKERSON: I wonder if it might be possible to have somebody in from the administration?

THE CHAIRMAN (Mr. Fraser): That is a good idea. Could we get somebody from the administration in?

HON. ARNOLD McCALLUM: What was the question?

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

MR. PEARSON: I never said a word. Was I next on the list?

THE CHAIRMAN (Mr. Fraser): Mr. Nickerson, go ahead.

Contracts With Fort Franklin

MR. NICKERSON: Before, Mr. Chairman, we leave the very interesting question of Fort Franklin, I have one other inquiry to make in this regard to the administration. It concerns the protection of people supplying goods or services to the hamlet. It would appear that because the present council in Fort Franklin is not a proper legal entity, that people entering into contracts with it could very well have those contracts repudiated and they would have no recourse in law. So, I wonder what the administration are doing to warn people of this or whether or not they are guaranteeing payment for people who enter into these types of contracts.

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, Mr. Nickerson's point is well taken and, we of course, as a government would ensure that nobody is going to be short-changed or that this kind of a situation, if and when it does arise, they are going to be refused payment for the goods and services that they do in fact supply to the community. So, we would take every precaution to ensure that suppliers in these areas are, in fact, being looked after; being cared for in terms of making sure that invoices or whatnot, contracts are so honoured.

We have not looked at any legal means of taking any action in terms of that, but we do in fact provide funds to the community in terms of grants and whatnot to look after some of the services or indeed the services there. So I would simply say that yes, we would make sure that nobody was going to be short-changed because of the present situation.

MR. NICKERSON: Well, Mr. Chairman, I take that as a formal guarantee by the administration that contracts entered into by the present council in Fort Franklin will not -- payment will be guaranteed with respect to those contracts by this government.

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

HON. ARNOLD McCALLUM: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): We are still on comments of a general nature, directorate. Mr. Pearson.

MR. PEARSON: Mr. Chairman, I was very interested in comments made by Mr. Stewart earlier this morning in relationship to taxes and grants within his community and in fact all communities in the Northwest Territories, tax base communities. Where do we go from here? Hon. Arnold McCallum I am sure was listening at that time and to the comment of Mr. Stewart and I wholeheartedly concur with him; that the present system requires a review, a consideration by the government. Could we have some response from Hon. Arnold McCallum, perhaps?

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

Preparation Of Paper.

HON. ARNOLD McCALLUM: Mr. Chairman, as I indicated this morning I am well aware of the difficulties and the inadequacies of the tax system as well as the grants situation and that there are indeed municipalities who have a difficult time. What I would be prepared to do I think, would be to propose to the Executive on behalf of the department, a paper for this House. I do not know whether or not we could finalize it by the next session but I will guarantee to this House that the department will have a paper dealing with taxation and the school tax as well, the total Taxation Ordinance and the school levy for the House in the fall session.

Now, whether or not we will be able to come to you with something that is definitive in the way of a particular course of action, we would hope to be able to propose some alternatives to you and get further discussion on it. As I indicated this morning and as I am sure those of you who are involved with municipalities know, the whole process is a very complex one and I hesitate to say that we could get it to you before that time. If in fact we find we are able to do it for the May session, or the spring session then we would certainly hope to do so.

THE CHAIRMAN (Mr. Fraser): Thank you Hon. Arnold McCallum. Comments, Mr. Butters.

MR. BUTTERS: Mr. Chairman, I think probably the most important point raised this morning was that raised by Hon. David Searle when he recognized the shadow, maybe as large as a man's hand, which is currently falling on the Mackenzie Valley and Mackenzie Valley communities. He pointed out that one of the major objectives of this body was to take more power, more authority and responsibility from the federal government and pass that on to the third level of government, the municipalities and the hamlets to the third level of authority and responsibility in the communities.

The North Has Become An Arena

We have seen in the past number of years, the North become an arena and this was a favourite word used by Judge Berger to describe the North. The North has become an arena and in that sense a gladiatorial arena, where concepts and people who believe this or believe that are engaged in controversy and struggle and opposition. We have seen this occur in the Mackenzie River Valley where political concepts have warred with economic concepts. I think we recognize too that any community really is an amalgamation of those concepts and they do not exist apart from one another while they are part of the whole yet we have seen these concepts recognized and operating in the sense of opposing forces. We have lost the economic battle and as Hon. David Searle was suggesting this morning we may have lost the political battle at the same time, because it takes money to run government. It takes money to provide services. Much of the money that I think Members had expected to receive would have been derived from the taxation and the other spinoff benefits of the development that would have occurred.

Judge Berger in his report, Volume I, recognized that there would be a few bankruptcies, a few people in the Delta going to go belly up, business people, but what he did not say was that communities can go bankrupt as well. As Hon. David Searle pointed out, we have come to a crossroads here. After seeing the growth of local government and local responsibility for nigh on a decade now we have come to the point in time where the people in these communities might be looking at bankruptcy and might be looking at turning back their municipal authority and responsibility to this government. I think if that occurs as Hon. David Searle pointed out, this would be a very great set-back to the expectations and aspirations of not only Members of this House but Members who have made up previous Houses.

I am wondering if the Minister of Local Government and the administration have considered that and determined what could be done to encourage the continuing growth and the acceptance of increased responsibility by the third level of government, in view of the fact that the economic resources that we once hoped would fuel this level of government has in large measure been either deferred into the future or been removed from us.

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

Taxation And Assessment Situation

HON. ARNOLD McCALLUM: Mr. Chairman, perhaps before I reply to Mr. Butters, I should add to my reply to Mr. Pearson that we have in fact been exploring various ways in which we can come to grips with the taxation and assessment situation. In relation to the school levy, for example, we have over the past year modified the school levy to make it more equitable among the major municipalities. We contemplate and have attempted to change the assessment system as well in moving the weight from the improvements to land, to try to have more equitable situations. So, I should have added that as well to the reply I made to Mr. Pearson.

To Mr. Butters' comments, it is a very difficult situation to try to foster participation and hold out that the system within the institutions of local government as we have it to continually give more to these local communities in terms of local government, to take on more responsibility in a time when, as he so correctly puts it, the economic prospects are very dim. However, we have within the development and training division of the department attempted to carry on numerous workshops in attempting to make people who are working or employees of the municipality and indeed the councillors more aware of what really has to happen if they are in fact to really govern themselves.

I recognize that level of government to be a very fundamental one -- not a very fundamental one, the fundamental one. Having had some years experience in terms of local government, I am fully aware that there is a demand and we would like to increase the demand to a number of smaller communities to take on more responsibility. It is very difficult to have more communities take on this when they see very little down the road in terms of any kind of economic expansion or any kind of increased activity in their areas. We do attempt to, as I say in terms of the division, to try to foster more participation. We are committed to the end that people should take on more responsibility.

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, I think you are next.

MR. BUTTERS: He did not answer my question. I would like to rephrase it.

THE CHAIRMAN (Mr. Fraser): Mr. Butters, rephrase your question.

Bankruptcy In Communities

MR. BUTTERS: I mentioned about communities going bankrupt. Communities go bankrupt because the revenue available to them is not there and the revenue that I am speaking of specifically is that revenue which they receive from direct taxation of taxpayers. As long as the economic climate is good and the business activities strong, the revenue available to municipalities is relatively generous but we are now looking at an increasing number of businesses leaving the territories. We are now looking at increasing numbers of bankruptcies. The taxation base of the municipalities will be shrinking. That is what I am talking about.

The federal government has a printing press which it just cranks up when it needs money but the municipalities have to get their money from the taxpayer. I am saying that when the economy dies or is buried ten feet down as Mr. Stewart said in his opening remarks then that source of revenue dries up. What I should have said is, is it the intention of the Department of Local Government to somehow fill the vacuum left by the disappearance of those taxpayers and that tax resource to the municipalities?

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

Financial Status Of Municipalities

HON. ARNOLD McCALLUM: Mr. Chairman, we recognize the difficulties within the department and we work, as I said this morning, very closely with the Association of Municipalities because they are very much concerned as well. We have not

taken any direct action in trying to look at refinancing, we have not had, and that is no excuse to say that we should not be looking at it, we have not had bankruptcies in the terms of the municipalities and municipalities, by and large, are -- their financial status is fairly good. That is not to say it will continue if the present economic situation deteriorates even more so. We are attempting to do something within the House, where we start and whether we should go it alone. We would hope to be able to work very closely with the Association of Municipalities in terms of this trying to make sure that there is a tax base there that will allow a municipality to provide the services to its citizens in these days and in possibly even more trying days that we may be faced with. We have not come up with any kind of definitive plan, Mr. Chairman, in this regard.

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

MR. STEWART: Mr. Chairman, I wonder if the department is considering a joint conference between the territorial government, the federal government and the various municipalities affected along the Mackenzie, to take advantage of the statements made by the minister of the day, Hon. Warren Allmand, that there would be compensation paid for disruption caused by the pipeline going the Alcan route for moneys that were spent basically to get ready in preparation of the pipeline.

Extensive Study On Vale Island

We, in Hay River for example, have a bill hanging over our heads for an extensive study done on Vale Island to develop a harbour that would be capable of looking after the tonnages that were anticipated relative to the building of the pipeline. Now this study is absolutely useless to the municipality and it was passed by the territorial government in conjunction with the municipal government without going to plebiscite inasmuch as it was a first charge against the land to be developed. Now of course now there is no sale for this land. They have at this time, no value at all yet this note becomes due and payable in part this year, and it is our contention that this type of thing should be written off and we are going to require consultation undoubtedly with the federal and territorial groups. To my knowledge no planning has been done in this regard. I would like to direct a question to our Minister of whether indeed there may be plans and if not, could they be set up?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I think the department has been contacted by the municipality of Hay River through its mayor to go down there and to discuss with them, problems or subjects such as Mr. Stewart has indicated. We have indicated our willingness to go down and to discuss with them. As to setting up or having a particular plan of action in this regard, we have not. We, as a department would not be involved with the federal government. It would be the government in total, and Deputy Commissioner Parker may have more on that particular than I but we have not, as a department, other than to attempt to respond to the concerns that have been expressed by individual communities and to the Association of Municipalities along those lines. Deputy Commissioner Parker may have something more in terms of this.

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

Working Together.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the suggestion of a discussion with the federal government on the promise that I believe Hon. Warren Allmand made with regard to possible compensation due to the build-up of expectations is a very useful proposal. I would think that the best way for us to handle that is for the territorial government to work together with the Association of Municipalities and the individual municipalities to put together a case for presentation to the federal government.

The federal government is often reluctant to meet on a tri-partite basis because in fact at the urging of the territorial government the responsibility for municipal matters is clearly vested in this House, and I think the same purpose can be served if we put together the very best case we can. Perhaps we have been a little slow getting at this and I think our attention must be turned to it. I guess we have been all waiting a bit to see what the real effects of the slow-down will be. They are now apparent that they are quite deep in some areas. I think that if we were to join forces, the territorial government will have to show the lead in this but draw information and support from individual municipalities and the Association of Municipalities. We should lay a position paper and as strong a case as we possibly can before the federal government and probably in front of Hon. Hugh Faulkner for a start.

With regard to other direct compensation or write-offs, I must say that we are working with Indian Affairs and Northern Development now toward establishing a policy which will see us being able to defer charges for land development. This particularly refers to the town of Inuvik where in very good form they prepared land for residential use. With the requirements of a great deal of fill and the problems of permafrost and so forth, they had to do this well in advance. The proposal that we are working on with the federal government is to seek a means of cancelling the interest that is owing from year to year and deferring the payment of the principal. In fact, we are doing this. We are into our second year of doing this on that particular land and what we are seeking to do is to formalize this approach through a proper policy.

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

MR. STEWART: I am pleased that the Deputy Commissioner is prepared to reactivate this particular subject, and I would hope that it be continued as quickly as possible. Thank you.

0 And M - Salaries And Wages.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Comments. If we are finished with comments, are we ready to go to the directorate activities? Operations and maintenance. Salaries and wages, \$958,000. Other 0 and M, \$318,000. Total 0 and M, \$1,276,000. Page 9.02. Mr. Nickerson.

MR. NICKERSON. Mr. Chairman, this is where we start getting into difficulties with the new budget format. We have absolutely no idea what the \$318,000 we are supposed to be voting on is for, and I am afraid it will necessitate the administration having to present that information to us with every activity we deal with.

THE CHAIRMAN (Mr. Fraser): In other words, Mr. Nickerson, you are looking for a breakdown of other 0 and M; is that the subject?

MR. NICKERSON: Yes, certainly the larger items. What are the major items of expenditure included within that \$318,000?

THE CHAIRMAN (Mr. Fraser): Is this at all possible, Hon. Arnold McCallum, to give him a breakdown on other 0 and M?

HON. ARNOLD McCALLUM: Yes, Mr. Chairman. I think that we can give you an indication, as Mr. Nickerson says, as to the major parts of the other O and M. If you will recall in past budgets, I think that there were a long list of these; travel, the professional services that we would require and in terms of local government, local government does not have a great deal of expertise in certain areas of its business. We have to enter into contracts, if you like, or employ the use of professional services and survey work in planning, programming various parts. If you will recall, Mr. Chairman, that these things were all listed in the past budgets. There were lists sometimes, I think there was a basic list of about seven, eight, maybe nine different parts to it. Some of those that were there and in terms of the directorate and I take it that is the one we are on now, on page 9.02.

THE CHAIRMAN (Mr. Fraser): Right.

Transport Communications.

HON. ARNOLD McCALLUM: The amounts that we would have, the largest percentage of the \$318,000 would be in terms of travel. The transport communications, in terms of travel it is roughly \$180,000 of that \$318,000. Another \$50,000 in transportation and communication.

Professional services in the vicinity of \$15,000 to \$30,000. The rentals and leases that the department has is a very minimal amount, but in terms of the \$318,000, I think I have indicated there with five of those areas, of those other O and M, doing a quick total on that would have brought it up to approximately \$297,000 of the \$318,000.

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

MR. NICKERSON: I think I will let Mr. Pearson say what I was really going to say but I will just make one point and that is now if we go through this exercise for every activity in the book it is going to be awfully time consuming and even then we have no idea what the similar expenditures were in previous years so we have nothing to compare it with. I would imagine, Mr. Chairman, that one of the best ways of dealing with this budget because of the lack of information in this book would be to have the administration do the exercise that they should have done before and make these lists and make them available. Now it is doubtful whether we will have very many questions about them so long as the information is there and made public.

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

MR. PEARSON: Well, I was just going to say that if I were to produce a budget like this for my village council and say here fellows, vote on this lot, \$318,000 for something or other, there would be hell to pay and the same with any other of these vouchers. It is totally unacceptable to me and I want to know what the -- you know, you flip over to the next page and there is \$2,776,000. The term they used to chuck in there occasionally was miscellaneous and the Assembly was always hot to trot when the item exceeded five or six thousand dollars. In fact, we would spend hours discussing miscellaneous but if you would like to try us now, try and get away with \$2,776,000 and see how far we get. We will be here for weeks. It is ridiculous, a cover-up.

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

Format Agreed On By Standing Committee.

HON. ARNOLD McCALLUM: Mr. Chairman, I do not think it is in any way, shape or form, at least on my part and this department, to cover up anything. Now, we put it down in this particular format and as I recall, the standing committee on finance agreed with the format. We wanted to identify, in all aspects of the budget, what really was going on.

I can recall sitting at two other previous sessions here of this House where we listed them all and the comment was made how come you list all of those things. Now I have no difficulty giving to individual Members what the other O and M's are and I can make that particular information available to Members here, no problem at all. I am not trying to hold back or cover up on anything in any way, shape or form and that we can do it with all the departments.

I have discussed it or mentioned it very briefly with the Deputy Commissioner and there is no reason that we can not make it available for all departments but there is \$318,000 in there. The greatest percentage in this department and this particular part is in terms of transportation. Our casual wages are involved with the salaries and wages. The wages of our employees, the number of employees that are there, but we can make sure and get it run off and give you an indication for each of the divisions of the Department of Local Government, the five divisions, what those O and M's are.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, if the administration could do that I think that it would prove most useful and it would eliminate a lot of time consuming questioning. Maybe you could ascertain, Mr. Chairman if it is the wish of the committee that this be done for all activities throughout the budget and in that way we will save ourselves a lot of time and a lot of effort.

THE CHAIRMAN (Mr. Fraser): You were just talking about the operations and maintenance or the other O and M activity through the budget?

MR. NICKERSON: Yes.

THE CHAIRMAN (Mr. Fraser): Could we continue then with the rest of the activities and maybe at a later date the administration could come back with a detailed list on O and M. Is that the wish of the House? Agreed?

---Agreed

I only heard one agreed. Any more comments on that O and M budget? Mr. Steen.

Inclusion Of Capital

MR. STEEN: Mr. Chairman, it seems to me that it would be not only the O and M. I would be interested also in the capital.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think you will find that the level of information that is provided for capital is at least up to the level of previous years or there may even be more details. So, I think we have put that particular part of it together in good detail. When you come to that I think you will find it is adequate. If it is not, then on an individual project basis we will certainly supply answers to any questions.

With regard to what Hon. Arnold McCallum has said, the form that we would propose to put this to you in is back to the same sheets that we have used in previous years and that is the total list of objects of expenditures which gives the comparisons from the present year to past years and so forth. We felt that these sheets were probably just cluttering the budget up. Our experience last year was that they were referred to rather rarely. However, we stand ready as the Minister has said to put these before you. We can do that much more easily than doing summaries of other O and M. If it is your wish to have those complete spread sheets made available then I think we can have them to you within an hour.

Finance Committee Meeting

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. I would just like to say a few things here, to concur with Hon. Arnold McCallum. When we had that standing committee meeting on finance, everybody attended the meeting except Mr. Kilabuk, Mr. Lyall and Mr. Pearson. I think they were the only three that were missing. This new format was introduced to the committee then and everybody agreed with it and we could not see any real problem with the way it was set up. Unfortunately, Mr. Nickerson was not on that committee but the rest of the committee Members agreed that it was okay. So, if you want to make some changes in it Mr. Nickerson, should that be in a form of a motion? Mr. Butters.

MR. BUTTERS: Mr. Chairman, I think if you will recollect the finance committee did not examine the O and M of the budget and there was some complaint about that. We may have agreed in the general over-all format but the O and M figures were never put before the finance committee when it met in November. We saw a five year projection of capital. We saw the proposed concept of the budget but we did not see the O and M.

THE CHAIRMAN (Mr. Fraser): Well, if I recollect, this book was just the way it is without any figures.

MR. BUTTERS: We had the O and M for the current year but the O and M for 1978 to 1979 was not made available to us and this was one thing that irritated a number of Members who appeared there including myself.

THE CHAIRMAN (Mr. Fraser): I retract that statement. I am sorry. Mr. Nickerson, where do we go from here? Do you want to make a motion then that we defer the O and M budget until we can get some more detail and carry on with the rest, or do you want to throw it all out?

MR. NICKERSON: No, I do not want to throw it out.

THE CHAIRMAN (Mr. Fraser): Well we have got to do something. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: If you would permit me, Mr. Chairman, I had made the suggestion that we will bring in the spread sheets which show the object of expenditures as in previous years and I think that will take at the outside about an hour. Could I suggest to you that in the meantime you might wish to turn to details of grants and contributions and then details of capital. Some years we have done the capital before the O and M and other years the reverse order. So I do not think that it causes any problem and I think you will find the details of capital are all there and you might just proceed in that fashion.

THE CHAIRMAN (Mr. Fraser): Is it the wish then of the Members that we go through details of grants and contributions? Agreed?

---Agreed

O And M - Grants, Municipal Affairs

That is on page 9.07. That is the local government and municipal affairs grants, and grants to other villages, towns and cities of \$50 per capita for administrative assistance for a total of \$1,225,000. Agreed?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Fraser): I only heard one agreed. Mr. Butters.

MR. BUTTERS: Just a question on that sir. This relates to the point raised by Mr. Stewart this morning. Communities that have suffered a marked decrease in the population, say from last year to this year, is it the intention here that they will receive less funds for administrative assistance or will the assistance provided not go below that given in the previous budget?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the grants that are given to the incorporated communities, the villages, towns and cities, the estimates were based on the normal four per cent increase over the 1976 to 1977 population figures. These grants were discussed with the municipalities and paid on a population that, as I indicated, reflected an increase in population.

We have an increase of funds each year. We do not believe that the grants should go below. We are looking at population figures now being assembled by the Department of Planning and Program Evaluation within the government. Our feeling is, of course, as has been indicated that regardless of what facilities or you know, what the town has in population it requires a certain amount of money to operate these incorporated communities. So our population figures are based on the 1976 to 1977 year with a four per cent increase in them.

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

Population Figures

MR. STEWART: Mr. Chairman, the territorial government at the present time through people working for Assistant Commissioner Mullins are in the process of checking population figures in Hay River and I presume in other communities. It appears to me that this checking is being done to decide on how much grant we are going to get. They want them by the middle of February. So it appears to me that they want these for the next fiscal year. So I would like some assurance from the administration that because of the difficulties at the present time that indeed if they are prepared to go along and pay this per capita grant on our last years population plus a four per cent increase we will be more than pleased with it but I really think this point should be made abundantly clear at this time, what route you are going to go.

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

HON. ARNOLD McCALLUM: Mr. Chairman, I think that where there is a difficulty or a problem arises in terms of an individual community, we would address ourselves to that particular problem in consultation with the community itself. So if there is a problem that does arise then we would certainly be willing to sit down with the town, the village or the city and try to work the problem out.

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

MR. STEWART: I take it then, Mr. Minister, what you are saying is that the figures that are in the process of being gathered; the actual census as of February will be the one that you will be paying your per capita grants out under, is that correct?

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

Amount Of Grant Assistance

HON. ARNOLD McCALLUM: There may be another factor involved here, Mr. Chairman. Basically, the Member is correct but the Association of Municipalities has made representation to the department to increase, to review the policy of the amount of the grant assistance and that could have an effect as well. We are now looking at that particular request of the Association of Municipalities and attempting to work something out but basically the Member is correct.

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

MR. STEWART: What, Mr. Minister, is going to happen to the funds? I understand that this appropriation has been calculated on last years population figures plus a four per cent increase. What are you going to do with the rest of it?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the rest, did he say?

THE CHAIRMAN (Mr. Fraser): Yes, what are you going to do with the rest of it?

MR. STEWART: I understood from your presentation that this figure of \$1,225,000 was based on last years population, plus a normal increase of four per cent. Now you are going to find a lot of bodies missing in the South Mackenzie, so you are going to undoubtedly have a surplus. What are you going to do with it?

HON. ARNOLD McCALLUM: I am sure, Mr. Chairman, that there would be many particular areas where we could utilize that money to the betterment of municipalities.

THE CHAIRMAN (Mr. Fraser): Not Hay River.

HON. ARNOLD McCALLUM: No, we would not cut out any one municipality. We would treat them all...

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

CONTINUING COMMITMENTS.

MR. BUTTERS: Mr. Chairman, that is what I was getting at, as it seems to me to be unfair to the municipalities if they have entered into commitments or continuing commitments on the basis of that grant. They lose their population and yet the revenue required to fulfil that commitment remains the same. That was the basis for my suggestion that while the per capita population of the community may drop and on a per capita basis the grant that that community would be entitled to may decrease but in view of these commitments the government would not diminish the grant paid to any particular community to be any less than paid the year previously. Because if you lose a thousand people and that is entirely possible in Inuvik and while I do not know whether it will be but a thousand people works out to quite a few dollars.

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, as I indicated earlier, we recognize that there will be a difficulty here and if there does exist a difficulty in a particular municipality then we are prepared to sit down with that municipality to discuss the funding for these grants with individual ones. It may not be with everybody. Individual municipalities will have individual problems peculiar to them. As I indicated as well, we are reviewing a request of the Association of Municipalities to increase the per capita grant and again we would take that into consideration in sitting down and talking with the individual municipality.

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

Motion To Not Decrease Per Capita Administration Assistance Grant

MR. STEWART: Mr. Chairman, in view of the fact that the money is included in this budget to look after the population figures as they were last year plus a four per cent increase and because of the turmoil that is faced by certain communities over heavy losses of population, I would like to move that the per capita or that the grant paid under this per capita administration assistance be no less than the moneys paid last year.

THE CHAIRMAN (Mr. Fraser): Mr. Nickerson, did you say the motion was out of order?

MR. NICKERSON: Mr. Chairman, that is the type of question which the chairman should decide.

THE CHAIRMAN (Mr. Fraser): Well, it is not out of order. To the motion. Mr. Stewart.

MR. STEWART: Well, to the motion, Mr. Chairman, I think that this would stabilize things and give us some point of direction for this coming year. I am sure that this can not go on indefinitely but inasmuch as the money is here so we are not changing the figures involved but that the payment be made on that basis for this year, so that the municipalities that were being hardest hit will at least know where they are going for this year. Give us a year to be able to make compensations.

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, do you have a motion on the floor? Are you talking to that motion?

MR. STEWART: I thought I was, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): It is not a motion. It is a recommendation then.

MR. STEWART: No, I am not making it as a recommendation. I am making it as a motion of direction. I am not increasing the funding. I am not voting money

in the sense of the word. According to the Minister, these figures are arrived at on last years population figures for each of the municipalities plus a four per cent increase therefore the money is in there. All I am saying is let us pay it out on the same basis as you paid it last year. That is all I am saying, with my motion regarding a reassertment of this House's opinion that things should be done in a legal manner. It would appear to me that this motion is somewhat out of order. I do not know whether we have the authority to do that and on account of that reason I would be very reluctant to vote for it,
Mr. Chairman.

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

SOME HON. MEMBERS: Question.

Motion Carried

THE CHAIRMAN (Mr. Fraser): Question has been called. All in favour?
Contrary? The motion is carried.

---Carried

Grants To Villages, Towns And Cities, Agreed

Grants to villages, towns and cities of \$50 per capita, a total of \$1,225,000.
Agreed?

---Agreed

Grants to each settlement, \$20 per capita to a \$12,000 maximum for community services in the amount of \$218,000.

HON. ARNOLD McCALLUM: Mr. Chairman.

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

HON. ARNOLD McCALLUM: Perhaps to ward off any apprehension that one or some Members may have because this particular amount of money is \$72,000 less than last year, I should offer that we have communities who have become hamlets of course and who are not now then eligible under the settlement grant. That is why it is down.

THE CHAIRMAN (Mr. Fraser): That is the \$218,000 you are talking about?
Mr. Pearson.

MR. PEARSON: I wonder if the settlements in question know that, what they are in for. Are they...

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

HON. ARNOLD McCALLUM: Mr. Chairman, do not misconstrue what I said. That does not mean that these communities are not getting grants. They will get grants under the grants to hamlets, not to settlement councils. In other words, we are not taking money away from them, they are just not eligible in this particular amount under here. We had three communities who became hamlets and that, of course, will decrease the amount payable to settlements that are not hamlets.

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

Subsidizing Rent In Frobisher Bay

MR. PEARSON: No, but it will do. One of the difficulties that we in Frobisher Bay find ourselves in, is that the community attained village status, in fact hamlet status in 1973 before some of the bugs had been worked out of the system.

At the time that Frobisher Bay became a hamlet, six positions were turned over to the hamlet from the then territorial government to the new form of government and that is all that was turned over was the positions and none of the goodies that go along with them as is now the case when these communities take on this new challenging status, to wit, the houses in which these six people lived. We now find in the village of Frobisher Bay, that we are subsidizing rent for employees of the village who are renting territorial government housing and paying a nominal fee of \$124 a month; the village is picking up the tab for in excess of \$650 per unit per month. In other words we did not get any houses with these six positions.

Now that is a legitimate reason, legitimate beef and one which is now being resolved in the new order of business. Can the Minister assure me that the now village of Frobisher Bay will be compensated for this extremely expensive cost, either give us the six units that should have come with those positions in the first place or fund us to enable us to go into our own housing business which I would prefer not to do?

THE CHAIRMAN (Mr. Fraser): Are we still on the subject of grants or housing?
Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: I was going to ask the same question, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Yes, but I can not before I grant some housing of six per cent.

SOME HON. MEMBER: Which side are you on?

THE CHAIRMAN (Mr. Fraser): I am neutral.

MR. PEARSON: It sounds like it.

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

MR. PEARSON: Do you want to try the ostrich approach or do you want to deal with it honestly and openly in the forum of the chamber?

HON. ARNOLD McCALLUM: Step back a bit. Wait a minute. Is he talking about my putting my head in the sand or something?

THE CHAIRMAN (Mr. Fraser): He wants you to answer that question.

MR. PEARSON: I would like an answer that is all. Now you can stick your head in the sand to do whatever you like. I will put you on the polar bear list.

THE CHAIRMAN (Mr. Fraser): We are on page 9.07 on grants. I do not see anything about housing in here. Grants to each settlement of \$20 per capita in the amount of \$218,000. Agreed?

SOME HON. MEMBERS: Agreed.

--- Agreed

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

Hamlets Not Eligible For Per Capita Grants

MR. STEEN: I just want to ask Hon. Arnold McCallum a question. What is the reasons why the hamlets do not become eligible for the grant as the other communities are eligible for the \$20 per capita grant? Why does the hamlet lose that \$20 per capita?

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I indicated that the reason why the total amount of money that is paid out in grants and settlements is down was because three settlements became hamlets and hamlets are funded on a different particular basis. They get grants and funding to carry on their administration but we separate the various levels of communities as to their status and that is the only thing here. They are not getting short-changed. They get a large amount of funding under another grant.

THE CHAIRMAN (Mr. Fraser): Mr. Whitford. Just a minute. Does that answer your question, Mr. Steen?

MR. STEEN: Yes, Mr. Chairman. I think I have the answer from the guy that is on the side of me here. The way I understand it is when you become a hamlet then you come under a different procedure or a different department or section.

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

HON. ARNOLD McCALLUM: That is correct, Mr. Chairman. On page 9.08 under contributions and municipal affairs, the contribution of funding to hamlets for their complete operations and its funding that is based on budgets that would be prepared by the hamlet and if you note there that that total amount is up by \$2.6 million. So, hamlets do get funding but they are funded under a grant policy.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. I think that answers it quite clearly. Mr. Whitford.

Grant Moneys For Rainbow Valley

MR. WHITFORD: Mr. Chairman, Hon. Arnold McCallum having said all that, leaves me with some doubt in regard to Detah village where they do get grants and contributions and also having Rainbow Valley here in Yellowknife as part of that community. Where does the grant moneys go for Rainbow Valley? Does it go over to Detah or does it go into the Yellowknife budget and does he have any information to the amount of these grants?

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, the grant to Detah would be under the settlement, the \$20 per capita grant to the Detah village. Are you talking of the Block 500? Is that what you are talking about? That is within the confines of Yellowknife. Now, I am not sure. I would have to check it. I would have to check whether in fact Block 500 then is under the municipality or within the settlement grant.

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

MR. WHITFORD: Right, Mr. Chairman. If I could get the figures with it, it would be appreciated.

HON. ARNOLD McCALLUM: Mr. Chairman, does Mr. Whitford want the actual amount of money that is given to Detah in the form of a grant?

THE CHAIRMAN (Mr. Fraser): Is this what you want, Mr. Whitford, or you were just looking at per capita?

MR. WHITFORD: Mr. Chairman, I suppose the amounts of grant money that is being given to Block 500, whether it is given to the city or whether it is given to the village so that these people can be able to carry on their programs accordingly.

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

HON. ARNOLD McCALLUM: Mr. Chairman, the amount of money that is given in a grant to Detah is calculated at \$20 per capita. It goes to that settlement. The amount of money that is granted to the Block 500 area goes to the municipality of Yellowknife at the rate of \$50 per capita because my information or our information is that it is within the confines of the municipality of Yellowknife.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Richard, are you satisfied with that?

Not Enough Grants

MR. WHITFORD: Point of privilege here, Mr. Chairman, it is Mr. Whitford. No, the point that I was trying to get at Mr. Chairman, was that a lot of the times they are planning programs together and that they do things together within that area, Block 500 and Detah village and it seems to me that the grants just are not enough to carry out the particular programs that they want.

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

MR. STEWART: Mr. Chairman, I wonder if the administration could give me a good plausible reason for the different manner in which they do business. I refer here to a settlement which is the first form of government, it goes by way of per capita grant. Then we get into the next phase of a hamlet, then you go on a budget, percentage of budget. Then when you leave that stage, you go back to the per capita business. Now, why can we not have it all the same way? Why is there a difference.

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

HON. ARNOLD McCALLUM: Well Mr. Chairman, the per capita grant given to settlements is given to them, enough for the total operation of that particular community. We fund it, we fund the settlements, practically -- well totally and we give a per capita grant to settlements to allow them to get along with some planning for that particular community, short-term, long-term, whatever it is.

We fund hamlets because we pay the total amount for their operations, their total operations and we fund incorporated communities on a per capita basis to provide some assistance but we do not fund incorporated communities totally for their operations. So if I can go back to settlements, it is to provide additional help so that they can plan. For hamlets, we look after their total municipal operations and for incorporated communities we give them some kind of assistance because we recognize it is expensive and we provide a little bit more to them.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum, very well put. Does that answer your question, Mr. Stewart?

MR. STEWART: More than adequately, thanks.

Grants To Each Settlement, Agreed

THE CHAIRMAN (Mr. Fraser): Thank you very much. Okay, we have got \$218,000? Agreed?

---Agreed

Grants In Lieu Of Taxes, Agreed

Grants in lieu of taxes on all property and structures held by the government within municipal boundaries, \$915,000. Agreed?

---Agreed

Grants To Associations Of Municipalities, Agreed

Grants to associations of municipalities of 50 cents per capita for member communities, in the amount of \$16,000. Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, does this mean that there has been a reduction in the number of member municipalities in the association?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the grant to the association has been revised. If all municipalities belong to the association it is estimated that there would be approximately 32,500 people belonging to it. Not all municipalities belong to the association, at least as far as I know. I think the previous figure for the year 1977 to 1978 was or is wrong because if we applied the same per capita that would be everybody in the territories. That is not so and I apologize for that 1977 to 1978 figure but I think that is an error.

THE CHAIRMAN (Mr. Fraser): The sum of \$16,000. Agreed?

---Agreed

Grants For Public Health Studies, Agreed

Grants to Hay River and Yellowknife for public health studies, \$1000. Agreed?

---Agreed

Grants To Hay River For Flood Control, Agreed

Grants to Hay River for flood control. When are they going to move? Mr. Nickerson.

MR. NICKERSON: Would this be the correct time to bring up general questions appertaining to the flood damage reduction program?

THE CHAIRMAN (Mr. Fraser): Flood for Hay River?

MR. NICKERSON: No, territory wide. I know that I am probably bringing it up at the wrong time, but I do not think while we are discussing the budget there is a right time. I just wonder whether you would object if I did ask some questions on this program at the present time.

THE CHAIRMAN (Mr. Fraser): Would the rest of the Members agree to have him bring this in? Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: I think the one person who knows something about that particular program is Mr. Dan Billing. So if Mr. Nickerson would be willing, we would ask Mr. Billing to come over and when he is here, he could then ask his question.

THE CHAIRMAN (Mr. Fraser): Is that okay with you, Mr. Nickerson?

MR. NICKERSON: Very much so, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you. Grants to Hay River for flood control, \$1000. Agreed?

---Agreed

0 And M - Grants, Municipal Affairs, Agreed

Total grant, \$2,376,000 for municipal affairs. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, before we get off this, I am under the assurance that the Minister, Hon. Arnold McCallum, is going to come back with the amount of money that is being granted to the Block 500 to the city of Yellowknife.

THE CHAIRMAN (Mr. Fraser): Mr. Whitford, a matter of order. We are talking about grants now. We are not talking about Block 500.

MR. WHITFORD: No, this is what I am referring to; the grant moneys.

THE CHAIRMAN (Mr. Fraser): Well let us keep it in grants, not Block 500. We are not dealing with that.

MR. WHITFORD: Sorry, Mr. Chairman, if I may resay so. What I am referring to is the grant money at \$50 per capita per person that is being granted to Block 500, to the people of Block 500. Is the Minister going to have that information available?

THE CHAIRMAN (Mr. Fraser): Hon. Arnold McCallum, do you care to answer that?

HON. ARNOLD McCALLUM: Mr. Chairman, the department does not make a grant to Block 500. The department makes a per capita grant to the city of Yellowknife. Block 500 was within the municipality boundaries.

THE CHAIRMAN (Mr. Fraser): Thank you. I think I heard you say that before. Mr. Whitford.

MR. WHITFORD : That is okay, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Total grant municipal affairs, \$2,376,000. Agreed?

---Agreed

0 And M - Grants, Development And Training

Development and training. Grant to Baffin regional council to finance community representation at one council meeting, \$34,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

MR. LYALL: Mr. Chairman, this Baffin regional council, why is it the only council that is being financed? Because of the fact that we do have other regions that have regional councils.

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

HON. ARNOLD McCALLUM: Mr. Chairman, when we made these estimates up, there was one regional council at that time. With the advent of the Central Arctic regional council which I think Mr. Lyall is referring to, when they make their presentation to the government, we will be funding them in the same manner as the Baffin regional council. That means, of course, that we would either have to fund them from funds within the department and come back with a supplementary request from this House for the funding for the Central Arctic regional council and any other regional council that in fact is formed.

Before Mr. Lyall jumps me again, maybe the council was formed some time back but the request for it was not to the department when we were making up these details but we are not going to just fund one council and not fund the one from his particular area.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Lyall.

MR. LYALL: Mr. Chairman, I would just like to say that to set things straight, Baffin regional council is not the first council to be formed. It said on the radio that it was making history. The Central Arctic regional council was formed three years before it. But anyway, I am going to vote against this for the simple reason that I would like to see moneys also in this for other regional councils.

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

Funding Of Other Councils

HON. ARNOLD McCALLUM: Mr. Chairman, I have indicated, I thought I did at least that we as a government and as a department are prepared to fund the other councils. The only reason that money is not in this was because we only had the one request at the time that we prepared these. We are going to fund the other councils, in fact, Mr. Chairman, the department would hope to go to the Executive with a proposal to fund them for more than one meeting because we recognize that these councils are representative and they play a very important role in the particular areas. You know, I do not know what other assurance I can give the Member other than what I have said. We are prepared to fund the other councils.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Lyall.

MR. LYALL: Mr. Chairman, one other thing about regional councils that I would like to say is that too many Local Government people go into those meetings and try to sway people. I think in the case of the Central Arctic, I think that this one should be watched very carefully because of the fact that the one that they held in Holman Island was used to campaign against certain people some within the Local Government staff.

0 And M - Grants, Development And Training, Agreed

THE CHAIRMAN (Mr. Fraser): Grant to Baffin regional council to finance community representation at one council meeting \$34,000. Agreed?

---Agreed

O And M - Grants, Town Planning And Lands. Agreed

Town planning and lands, grants to municipalities to assist development of community plans, \$18,000. Agreed?

---Agreed

O And M - Grants, Agreed

Total grants, \$2,428,000. Agreed?

---Agreed

O And M - Contributions, Municipal Affairs

Detail of grants and contributions, contributions, municipal affairs.

Funding Of Hamlets, Agreed

Contribution of funding to hamlets for complete hamlet operation, \$5,792,000. Agreed?

---Agreed

Contributions To Municipalities, Agreed

Contributions to municipalities up to 40 per cent of previous years. Expenditures for road and sidewalk maintenance, \$483,000. Agreed?

---Agreed

Water Delivery Subsidy, Agreed

Contribution to municipalities of a water delivery subsidy to offset cost of providing truck delivery to households, \$989,000. Agreed?

---Agreed

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

MR. NICKERSON: I wonder if we could be told, Mr. Chairman, what is the payment made to Yellowknife, the city of Yellowknife as a contribution to water delivery costs and also whether or not it is a policy of the Department of Local Government to insist that a municipality charge users for water before they will give them a subsidy.

THE CHAIRMAN (Mr. Fraser): Do you have a figure for us, Hon. Arnold McCallum?

HON. ARNOLD McCALLUM: Mr. Chairman, not right now. I will come back very quickly with that.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Steen, do you have a question?

MR. STEEN: Yes. I have been receiving some complaints of the administration in hamlets and I do not know if that comes under municipalities or not, that when they draw up the contracts for hauling water for the municipality, there is no provisions in contracts that they must have meters on their trucks. Some of the smaller hamlets are beginning to complain that they are being taken for a ride. Not only the hamlets but also I believe the government personnel buildings are also very concerned about it.

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

HON. ARNOLD McCALLUM: Mr. Chairman, we have a policy in terms of funding the hamlets. Could I come back to that with a little more information on it, if the Member would allow that? I am not trying to sidestep, I just want to come back and be a little more factual in it.

THE CHAIRMAN (Mr. Fraser): I recognize the clock as 4:00 o'clock p.m. We will have a break, a 15 minute break for coffee and maybe you could come back with the answer. Thank you.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls this committee back to order. I believe, relative to your question that the witness is now available, or was available, relative to flood control, Mr. Nickerson.

MR. NICKERSON: Excuse me, Mr. Chairman, as it happens, I was just speaking to Mr. Billing a couple of minutes ago and he advised me that he needed some time to get further additional information and he expects to be available for us tomorrow.

THE CHAIRMAN (Mr. Stewart): Thank you. Then we will proceed, we were on "contribution to municipalities of a water delivery subsidy to offset cost of providing truck delivery to households". There was a question relative to this, Mr. Minister, are you ready?

HON. ARNOLD McCALLUM: Mr. Chairman, the question was raised by Mr. Steen. He indicated I think in his question a concern that the delivery of water in some hamlets, because the government funds completely the hamlet operations and then the hamlet in turn contracts out water delivery, some of the water delivery vehicles do not have meters on them and there could be an abuse of the amount of water.

Policy Guidelines On Funding To Hamlets

The department this year has developed, and I think we talked about it at the standing committee on finance, the policy guidelines for the funding to hamlets. We went over it and I know that the question of hamlet financing was raised at that particular meeting. We hope to be able to bring hamlet funding into line, not as a means of restricting operations within hamlets, but to make them more responsible for the kind of funding they do receive and our policy guidelines will undoubtedly undergo revision after this year. But we would hope to be able, within the year, to reconcile that situation as regards meters on water delivery trucks. The whole aspect of hamlet financing, of course, is a point that the department views with some concern and it ranks in a very high priority.

If I could continue, Mr. Chairman, in relation to the question that Mr. Nickerson raised prior to our break, I think he was asking about the amount of money that we make in contribution for water delivery to the city of Yellowknife. Last year the figure was \$68,000.

In relation to his second question, if the person can not afford to pay for the water delivery, the Department of Health and Social Services -- I am sorry, was that not a question, Mr. Nickerson?

MR. NICKERSON: Not really, Mr. Chairman. The second part of my question really referred to communities outside of Yellowknife. I know what the case is in Yellowknife, but I wondered whether there were any communities in the Northwest Territories where the Government of the Northwest Territories was giving grants to the municipalities for truck water service but the municipality was not charging the people to whom water was delivered?

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

HON. ARNOLD McCALLUM: Mr. Chairman, offhand I would have to say no community comes to mind but again I must apologize then to Mr. Nickerson. I misinterpreted his question. I thought the second question was in relation to Yellowknife. So I would have to check back to see if, in fact, there were communities outside of Yellowknife or in the territories where this practice is going on.

THE CHAIRMAN (Mr. Stewart): Mr. Steen, I have your name next.

MR. STEEN: Just a short question. Do the RCMP, nursing station, and schools have contracts with the hamlets or municipalities or do they directly pay the contractor? I am not too clear on that.

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

Federal Government Agencies

HON. ARNOLD McCALLUM: Mr. Chairman, those agencies would pay the hamlet. The territorial government obviously does not. We would be paying twice. We would put a grant in lieu of taxes in municipalities. But the other agencies, the federal government that you referred to, they would pay the municipality, even in terms of the hamlet as well.

MR. STEEN: The questions have been answered, sir.

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

MR. FRASER: Mr. Chairman, while we are on the subject of water delivery, I see a subsidy to offset costs of \$989,000. Is it the practice that the local government utilize a utilidor system where possible? If so, it would maybe offset some of this cost. We have some houses in Norman Wells that are only 32 feet away from a utilidor but still they deliver water to these houses at a cost of maybe ten times the amount and I just wondered why the pump-out systems were put into these three houses when the utilidor was that close.

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I think the policy of the government would be to have people hook up into a system. Now I respect Mr. Fraser's knowledge of the situation in Norman Wells. I can not offer you any good reason why they have not been. Are these employee houses or privately owned houses or are they houses supplied by the government?

MR. FRASER: They are public housing constructed last year and the pump-out tanks that were put into these houses were built in the winter at a cost of about \$15,000 each for the three houses and they were only 32 feet away from the utilidor. I think some of the engineers at the Department of Public Works or the engineer that was engineering that position should maybe give us a reason why he recommended a pump-out system when he was that close to a utilidor system.

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

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I can not offer you or Mr. Fraser any information or any reason or rationale why that individual or the people concerned with it would in fact do what they did. Certainly we will look into it and see what we can do and hope that we do not make the same mistake in other communities. I would prefer and I think the House, the government would prefer that everybody would be hooked to a system.

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

Contribution To Elderly Home Owners

MR. BUTTERS: A general question relative to contributions I would imagine now. I think some two years ago a trial system of contributions to old age pensioners was implemented in the town of Fort Smith, persons who owned their own homes. I think it was approved or carried out on an experimental basis. I think the reason for this was that we recognized it is much better if people can remain in their own homes and live out their lives there rather than being put into an institution. I think we recognized that for them to do this in comfort there had to be some kind of contribution or assistance. Is that contribution in Fort Smith being paid under this department, or under the Department of Health and Social Services?

THE CHAIRMAN (Mr. Stewart): That was pretty fancy footwork, Mr. Butters, but that is once. Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, in the area of tax relief it would come under this department. I might add that we hope to have a proposal to the Executive Committee within two or three weeks on this whole topic. We are presently trying to formulate it. Hopefully we can get it before the session so if we can get approval of it we might be able to do something here this session.

SOME HON. MEMBERS: Hear, hear!

THE CHAIRMAN (Mr. Stewart): Thank you. Contribution to municipalities of a water delivery subsidy. Mr. Pearson.

MR. PEARSON: Mr. Chairman, just running through the list here and I note on page 9.09 that there is no reference to Cape Dorset and the community of Cape Dorset has an incredibly...

THE CHAIRMAN (Mr. Stewart): Order please, Mr. Pearson, that is a different vote and we will get to it very shortly if you will be patient. This has nothing to do with this particular vote we are on now, sir.

MR. PEARSON: I thought you were on page 9.09, water.

THE CHAIRMAN (Mr. Stewart): No, we are on page 9.08; page 9.08, contribution to municipalities of a water delivery subsidy to offset costs of providing truck delivery to households, in the amount of \$989,000. Agreed? Mr. Nickerson.

---Agreed

MR. NICKERSON: I am looking for a particular item here, Mr. Chairman, which I can not find. Maybe the Minister could tell me where I could find it but where is the amount for contributions to municipalities for sewage pick-up, truck sewage pick-up services?

THE CHAIRMAN (Mr. Stewart): To my knowledge there is none. There had better not be, because Hay River is not getting any. Mr. Minister.

HON. ARNOLD McCALLUM: Well I think, Mr. Chairman, that you have answered it. We do not have it.

THE CHAIRMAN (Mr. Stewart): Sorry, Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, maybe I must have misunderstood but I was talking to a senior officer with the Department of Local Government a few weeks ago and he was telling me about funds granted or contributed to the city of Yellowknife for this particular purpose.

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

HON. ARNOLD McCALLUM: Mr. Chairman, Mr. Nickerson has thrown me a curve. I do not know of a policy or an amount of money. If in fact there are, I will attempt to find out and come back but I was never under the impression that we had. I am not going to ask you who the guy was who told you, here anyway.

0 And M - Contributions, Municipal Affairs, Agreed

THE CHAIRMAN (Mr. Stewart): The amount of \$989,000, agreed?

---Agreed

0 And M - Contributions, Development And Training

Development and training, contribution to finance community conferences in Fort Smith, Inuvik and Keewatin regions, \$58,000. Mr. Lyall.

MR. LYALL: Mr. Chairman, it says conferences, working sessions, to teach settlement secretaries and your local government people in the settlements some of the practices that they have been doing these past few months.

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

HON. ARNOLD McCALLUM: Mr. Chairman, this amount or this money is different than the money we had indicated was being given to a formal regional council. This is money that is sent to the three particular regions to allow various settlement councils to come together to talk about particular concerns that they would have. It is not the same as the grant that would be given to, for example, the Baffin regional council, nor the grants that we would hope to be able to give to the other regional councils as and when they are formed.

This money is to allow a number of communities within a region or within a part of a region to come together, the community councils to come together to talk. It may be Spence Bay, Pelly Bay and Gjoa Haven, their community councils want to get together and talk about particular things. This is the money that we are contributing to them to allow them to meet, if in fact they do.

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

MR. LYALL: Mr. Chairman, my question really is, are there development and training moneys in here for settlement secretaries and your local government personnel in the communities?

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

Assistance For Training Councils

HON. ARNOLD McCALLUM: Mr. Chairman, back on page 9.03 under the division headed "development and training", there is money in the other O and M if you like, of that particular division that is used for the purpose, as Mr. Lyall has indicated. That is to provide assistance, conduct courses in accounting, management practices, etc., for individual community councils. But it is not in the form of a contribution. It is in the form of the basic O and M money of that division.

MR. LYALL: Mr. Chairman, to finance community conferences, do these regions know about this development training program money?

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

HON. ARNOLD McCALLUM: Yes, Mr. Chairman. They do. We have regional development officers in the field who make this information known to various communities.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. LYALL: Mr. Chairman, I would just like to ask one more question. How much money out of that O and M do you have for training your settlement secretaries and your development officers?

THE CHAIRMAN (Mr. Stewart): Sorry, Mr. Lyall, I must call you out of order. We are dealing with the vote here and you will be able to get a crack at that later. Have you anything further to deal with this? You tried. Mr. Steen.

MR. STEEN: Mr. Chairman, could I ask how do these two allotments conflict with the Baffin regional council and the present one that we are dealing on now? How do they conflict with each other? Are we duplicating the Baffin region one or what is the score on that?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the money that is made available for the Baffin regional council is in the form of a grant. As other regional councils develop and make representation to us for funding, that money will come from the grant area.

Contribution Is Accountable

This money is a contribution and the difference between the two, of course, is that the latter contribution is accountable and we make contributions to the region so that it will allow various community councils to meet and come together to discuss things that are of mutual concern. The money to the regional councils which are made up, you know, they are an entirely different kind of a body, we give them an outright grant. We are not duplicating the moneys given to the Baffin regional council from this kind of a contribution.

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

MR. STEEN: Mr. Chairman, but it seems the way it is written down here that exactly what they are doing that we are going to be doing under an accountable system of funds. It seems that we are funding two separate councils with our budget here, no matter how you fund them, by grant or by accountable funds. Would you not say that is right?

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

HON. ARNOLD McCALLUM: Mr. Chairman, no I would not.

MR. STEEN: Mr. Chairman, just to clarify in my mind, I would like to know what does this -- I know for instance what the contribution to finance community conferences in Fort Smith, Inuvik and Keewatin regions is for; it is for bringing members of different councils together.

Now, on the other one it says similarly, to finance community representation at one meeting. I do not know just exactly what they do at this meeting, this one meeting and that is the reason for my question. Perhaps Mr. Lyall may shed a little light or someone from that direction.

THE CHAIRMAN (Mr. Stewart): Mr. Minister, Mr. Steen, will you slow down a little bit? Our interpreters are having problems. Mr. Minister.

Baffin Regional Council

HON. ARNOLD McCALLUM: Mr. Chairman, the Baffin regional council is funded by the department to carry on its business in the amount that we have here of \$34,000 and that is to provide interpretation, just to carry on their business. The Baffin regional council is made up of various members from each of the communities in the Baffin. There are voting delegates, I think from every community and they have come together because they have a concern about the delivery of government services within that particular region and they try to assist the regional -- you know, the Baffin region.

They have various people from the regional headquarters in attendance and they discuss, at least to my knowledge they discuss the delivery of the various services, government services. We are not providing additional funds in the Baffin for communities there to come together. They have formed a body themselves from all these various communities, with equal representation I think from every community.

MR. STEEN: Mr. Chairman.

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

MR. STEEN: I guess maybe you did not quite answer my question. Maybe I picked it up by just listening to him. In another sense is that Keewatin, the way I have it interpreted, is in Baker Lake area and Baffin is in Mr. Pudluk's or Mr. Evaluarjuk's area. Shall we take it that way, it is not the two same areas?

HON. ARNOLD McCALLUM: The Baffin regional council is made up of the representatives of the various communities in the Baffin region that would be involved with Mr. Pearson's constituency, Mr. Kilabuk's constituency and Mr. Pudluk's constituency and Mr. Evaluarjuk's constituency. The Keewatin is represented here by Hon. Peter Ernerk but there is a distinct difference between the two.

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

Central Arctic Funding

MR. LYALL: Mr. Chairman, I would just like to ask the Minister how much of that money in the Fort Smith region does the Central Arctic get, because we feel that the Central Arctic is never really given the opportunity like the settlements south of us. We feel that there are southern communities who are a little bit more advantaged than the northern communities for any type of funds they get for this type of conferences. I would just like to ask what percentage of that money is going up to, say, the Central Arctic region.

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

HON. ARNOLD McCALLUM: Mr. Chairman, I would have to ask the officials of the department to determine the exact amount. I would hope to come back with an answer.

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

MR. LYALL: Mr. Chairman, if you really divided down to three regions, you get about \$18,000 apiece for the three regions. So that does not leave very much money for going around distributing to all the northern communities and southern communities in the Fort Smith region, realizing that the fact that travel costs in the Central Arctic are twice as high as some places.

Meetings In Central Arctic

HON. ARNOLD McCALLUM: Well, Mr. Chairman, again I do not think the money is simply split down the middle to about \$19,000 for each region. In relation to the Central Arctic regional council that has been formed, I think that they have received considerably more than \$19,000. They actually have been funded \$27,000. I think they have held two meetings. The other moneys from here would be given out to various groups or areas, various groups of communities as they requested them of the region to come together for mutual concerns.

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

MR. LYALL: Mr. Chairman, I get the feeling like Mr. Steen I guess that Baffin regional council gets an outright grant. Central Arctic region has been in existence longer than the Baffin regional council and I do not see why that they could not get a similar grant. It seems to me like this other moneys, this \$58,000 for community conferences, that is between communities I feel. If, like you say, Pelly Bay, Spence Bay and Gjoa Haven want to get together, these are the moneys for that. I am talking about the regional council's conferences. This is the difference that Mr. Steen and I are trying to get at.

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

HON. ARNOLD McCALLUM: Mr. Chairman, the Central Arctic regional council are at the present time putting together a proposal to this government for a grant. When we receive it, we will then make a grant to the Central Arctic regional council along the similar lines as we have made grants to the Baffin regional council but until such time as we have received that proposal, we have not made a particular grant and we do not know what they have asked for. Once we have found it, we will make the grant to them, and it will not be a contribution. It will be a grant. Now you know, I have indicated that we are prepared to fund regional councils.

THE CHAIRMAN (Mr. Stewart): Have you got that clear now, Mr. Lyall?

MR. LYALL: Mr. Chairman, I have, but the thing is if a person could find out the moneys that they want, could we give them out of this, somewhere in this, a full grant?

THE CHAIRMAN (Mr. Stewart): I think the indication of the Minister has been that the department will find the money and if necessary, will bring it back in as supplementary appropriation.

MR. LYALL: Thank you, Mr. Chairman.

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

Baffin Regional Council Auditors

MR. NICKERSON: When I first saw the different treatment of the funds to be granted or contributed for these different regional conferences it had been my assumption that why Baffin regional council had been treated somewhat differently and were not strictly accountable for the funds, was because that was a body corporate and had their own auditors. Apparently this is not the reason being given by the Minister. So I just wondered whether indeed the Baffin regional council is a body corporate and if so, pursuant to what legislation has it been incorporated under? Is it indeed subject to audit? Does it have its own auditors?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I am not sure whether in fact they have their own auditors. They are working and have been developing their own constitution. They came together you know, of their own volition and they would see that they can accomplish a great deal in terms, as a group. We recognize as a department and, hopefully, as a government that they in fact do play a very important role. I am not sure whether in fact they have their own auditors, I would have to find out.

Question Re Incorporation

MR. NICKERSON: Mr. Chairman, the reason why I am asking whether indeed this is a body corporate or not, because what I would imagine takes place is that a cheque is issued, made for the sum of \$34,000, made payable to the Baffin regional council. Now what happens if that cheque goes missing, the funds are used for purposes other than the grant, something goes wrong. Is the Baffin regional council a body corporate that can be sued or can sue?

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

HON. ARNOLD McCALLUM: The funds, you know, money is given by the regional headquarters to the Baffin regional council. I think that they, I would have to indicate that I am not sure whether in fact they have fully developed their constitution and taken the -- to become a body corporate. The funds are made available through the regional offices to the Baffin regional council. I keep seeing Mr. Pearson shaking his head, he may know much more about it than I.

MR. NICKERSON: Is the answer, Mr. Chairman, that the Baffin regional council is not at the present point in time a body corporate and that we are to issue a cheque made payable to an organization that is not a body corporate and that we will have no recourse if those funds go astray? Is that what I am led to believe, Mr. Chairman?

THE CHAIRMAN (Mr. Stewart): That I believe was the answer but I am not sure of the handling of the funds. Would you accept an answer from Mr. Pearson in this regard, Mr. Nickerson?

MR. NICKERSON: I am always very suspicious of Mr. Pearson's answers. They are nearly as suspicious as his questions.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, would you like to try and help us out of a quandary for a change, rather than putting us in one?

Funds Go To Region

MR. PEARSON: Perhaps it is like the blind leading the blind. I mean really, the replies from the Minister cause me to shake my head in disbelief. The Baffin regional council is not a body corporate or an incorporated entity. It is a group of municipalities and hamlets and villages and whatever, that meet. It is funded by government funding, the money obviously must go to the region, it does not go to the Baffin regional council. It is only in name and the reason that the Baffin regional council gets more money than any others is because we are nicer people.

MR. NICKERSON: So Mr. Chairman, the information given by the Minister that the cheque is made payable to the Baffin regional council is in error?

HON. ARNOLD McCALLUM: That is right, I apologize. Mr. Chairman, that is correct. I apologize for giving erroneous information. My understanding is that the invoices, the bills and whatnot are paid through the regional office. They are submitted from there, and they ...

MR. NICKERSON: Then Mr. Chairman, in that case then it is not a grant. Surely then it is a contribution.

HON. ARNOLD McCALLUM: Again, again I --- mea culpa, mea culpa -- I think that the Member is correct, Mr. Chairman, that in fact it should be a contribution.

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

MR. NICKERSON: Will it be that the estimates are now amended to reflect that actuality, Mr. Chairman?

THE CHAIRMAN (Mr. Stewart): Mr. Minister, these are your estimates. Are you prepared to have them amended to read as suggested?

HON. ARNOLD McCALLUM: Mr. Chairman, I think that we would have to make an amendment to it and to take from the details of grants the \$34,000 and of course put it into contributions which would reduce the total grants to \$2,394,000, increase the contributions to \$7,356,000.

Motion To Transfer \$34,000 From Grants To Contributions, Carried

THE CHAIRMAN (Mr. Stewart): Has everyone got that amendment? It is a transfer of \$34,000 from the grant side to the other side. Agreed?

---Carried

Hon. David Searle, please

HON. DAVID SEARLE: Mr. Stewart, I do not think I have any question after all. I am not going to get involved.

THE CHAIRMAN (Mr. Stewart): Now, Mr. Pearson, would you like to undo what has been done?

MR. PEARSON: What are we up to now?

THE CHAIRMAN (Mr. Stewart): I do not know. You were waving your hand before, sir. You are next on my list.

MR. PEARSON: We are on municipal affairs and the water and sanitation, are we?

THE CHAIRMAN (Mr. Stewart): No, we are on the contribution to finance community conferences in Fort Smith, Inuvik and the Keewatin regions in the amount of \$58,000.

MR. PEARSON: No, I did not have any comments. I think I shed some light on the scene already.

THE CHAIRMAN (Mr. Stewart): Agreed on \$58,000? I have this beautiful lady between you and me, I am sorry. Mr. Lyall.

MR. LYALL: Yes, Mr. Chairman, I hate to call anybody anything, but I am going to have to call somebody something now, I guess.

THE CHAIRMAN (Mr. Stewart): Now, be careful please.

MR. LYALL: Because of the fact that the Central Arctic regional council gave their estimates to the head office in October and it is not in this piece of table we have got in front of us.

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

HON. ARNOLD McCALLUM: Mr. Chairman, the Central Arctic regional council put forth a proposal to the department. It was denied at that time because of the amounts involved and was sent back for review and the information that we have

is that that council now is reviewing that particular budget with the purpose of coming in with something new.

MR. LYALL: Mr. Chairman, the grant that they applied ...

HON. ARNOLD McCALLUM: Mr. Chairman, and a special meeting has been set for this month. They have had it, have they?

MR. LYALL: Mr. Chairman, the thing is that the grant that they applied for is for two full council meetings a year; one at the beginning of the year and one for six months afterwards with five follow-up meetings. So that is why the grant that they applied for was such a large one. It was not too large. It was still only \$75,000.

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

HON. ARNOLD McCALLUM: Would you believe 80 or more?

MR. LYALL: It was 75.

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

MR. PEARSON: Well the only danger with that system as Hon. David Searle points out that if they get all that kind of money, they too will need a budget session.

O And M - Contributions, Development And Training, Agreed

THE CHAIRMAN (Mr. Stewart): If they spend as much time on their budget as we are doing on ours, they will have spent all their money discussing their budget. And the amount of \$58,000, agreed?

---Agreed

Now, we have transferred from the other side, and it should read now, "contribution to Baffin regional council to finance community representation at one council meeting in the amount of \$34,000". This should now appear on this page. Agreed?

---Agreed

This then gives us a total for this page of \$7,354,000. Agreed?

---Agreed

O And M - Contributions, Total, Agreed

I am sorry, \$7,356,000 is the correct figure. Agreed?

---Agreed

Capital - Directorate, Miscellaneous Projects, Agreed

I draw your attention now to page 9.09, detail of capital, directorate, miscellaneous projects, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

MR. PEARSON: Could I have just a little inkling of what they might be?

HON. ARNOLD McCALLUM: Mr. Chairman, is that the miscellaneous projects that Mr. Pearson is asking about?

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

HON. ARNOLD McCALLUM: For \$100,000?

THE CHAIRMAN (Mr. Stewart): Yes.

HON. ARNOLD McCALLUM: The \$100,000 that is there for various projects, miscellaneous projects, would primarily be money set aside to account for fluctuations in prices, unforeseen additions to a project that would come up, some of the ones that are listed here, in case of overruns on a particular project. We have a budget, capital budget I think that is in the vicinity of \$20 million and with the number of projects that we undertake, it is not in my opinion, unreasonable to suggest that there would be changes that would have to be made to various of these projects and that \$100,000 is set aside to look after those particular changes. The track record in terms of projects such as these indicate that there would be changes in them.

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

MR. LYALL: Mr. Chairman, before anybody else asks for any of this, Mr. Minister, could you give me a little bit of an indication that you are going to give Gjoa Haven a hand this following summer to improve their airport a little bit before we start building the new one?

THE CHAIRMAN (Mr. Stewart): Sorry, Mr. Lyall, it is a good attempt again but we are not on that at the present moment. Miscellaneous, \$100,000. Agreed?

---Agreed

Now, rather than follow the procedure we have been using, I would prefer to use the total figure, and then deal with the -- rather than call each individual figure, is that agreed?

---Agreed

Capital - Municipal Affairs, Water And Sanitation

All right, municipal affairs, water and sanitation in the amount of \$2,917,000. Mr. Nickerson.

MR. NICKERSON: Yes I have a concern about Grise Fiord, not really a concern, just a request for a little information. Apparently there is a project going on there that is going to cost about half a million dollars. Would I be correct in assuming, Mr. Chairman, that that is for the new water tank and if so, what is going to happen to the famous reverse osmosis plant at present in that locality?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the reverse osmosis water plant at Grise Fiord has not worked out. We have had to go to something different in the community and as Mr. Nickerson has indicated the \$110,000 here is for a water storage tank with a capacity of roughly 300,000 imperial gallons.

MR. NICKERSON: Mr. Chairman, what is going to happen to the reverse osmosis plant? Is it going to be moved some place else or thrown into the deep blue sea as it probably deserves?

DEPUTY COMMISSIONER PARKER: We are going to ship it somewhere else but before we do, we are going to insure it fairly heavily and then grease the skids.

Reverse Osmosis Plant

MR. NICKERSON: Now getting back to talking sense for a little while, is there any possibility of the Government of the Northwest Territories recovering anything from the reverse osmosis plant? I understand it was a fairly expensive proposition and could we recover any money from it?

DEPUTY COMMISSIONER PARKER: We are looking to see if we can find some use for it. The plant still exists. I think it cost \$25,000 if memory serves me correctly. The plant still exists but it just is not capable of working in that community. I do not believe we know yet where we think we can put it to work but we certainly will keep it and will probably move it to some more central location, and...

MR. NICKERSON: The Prince of Wales Museum.

DEPUTY COMMISSIONER PARKER: ...and if we can come up with a suitable place or plant that it will serve, then we will use it there, or sell it if we can.

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

HON. DAVID SEARLE: Mr. Chairman, I notice we are getting involved in a \$7.7 million program of water sewer servicing in Frobisher Bay, with the first \$1.1 million due to be spent next fiscal year. I am wondering if I could have some explanation of what is planned there. I do not mean for next year but I mean for the \$7.7 million, what are we going to get for that?

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

Water Sewer Servicing In Frobisher Bay

HON. ARNOLD McCALLUM: Mr. Chairman, we would hope to do this in phases to replace the truck water sewer system with piped services to provide an adequate, safe sewage disposal for the community. If at all possible, to replace the honeybag operation. Basically in that to get water, to make sure that people are hooked up to a system rather than trucked water, and to provide a safe and adequate water sewer system in entirety.

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

HON. DAVID SEARLE: Mr. Chairman, I take it we are talking about a utilidor system with water and heat and that sort of thing but more particularly are we talking about a sewage disposal plant, or will nature, that is, the ocean continue to be the recipient of all of those good things?

HON. ARNOLD McCALLUM: Well, Mr. Chairman, we would like to explore the possibility of a lagoon. Further to that, I do not think that it has been the advice that we do not need a particular unit, a plant as such. We would like to be able to accommodate it through a sewage lagoon. Failure to do that, I guess it would be piped out into the bay. Now, that is something that we are continually trying to explore the possibilities of and those are the things that we, on the advice that we had, those are the things that are possible at this time.

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

HON. DAVID SEARLE: Mr. Chairman, with the concern that is expressed for the environment and certainly looking at the problems Yellowknife has had in getting a water system and the concern that is expressed by government through its various regulations, water boards, etc., I appreciate the Northwest Territories Water Board deals with inland water here in this area, but still there is as much concern for the ocean and the environment generally.

Double Standard Of Constraints

I find it incredible again that the government will have this double standard of imposing constraints on industry and viewing industry's responsibility to the environment to be one where cost is of no consequence, if industry can not afford it, then it should not be done. I think if Nanisivik mines, for instance, which has a sewage disposal plant, as I understand it, the only one in the territory, and I think a good thing that is required to be done.

But I see no move on behalf of the government in the areas where it has responsibility to impose the same standard on itself as it would impose on industry or anyone else. But of course the argument of financial constraint is always used, the very argument that is absolutely forbidden to be mouthed if it is anyone else but government. I have been to Frobisher Bay and I have seen those great piles that form out in the ice and wait mercifully for the tide to remove. I would rather hope that in any system we design and especially for that kind of money that we do not continue that sort of thing. Now, I know Hon. Arnold McCallum mentioned lagooning which presumably is one of the few inland lakes they are going to get in or around or back of Frobisher Bay, but whether it be lagooning or a sewage disposal plant, I rather hope the present system is discontinued. That is the only comment I have.

THE CHAIRMAN (Mr. Stewart): Mr. Minister, do you have any comments?

HON. ARNOLD McCALLUM: So I can not add much more. I appreciate the concern that the Member has expressed. We would attempt to get the best possible return in terms of the funding, and to get the best possible disposal system for the community, to provide for safe sewage disposal. I can not add any more to that.

THE CHAIRMAN (Mr. Stewart): Municipal affairs, water and sanitation, Baffin region, in the amount of \$2,917,000. Mr. Pearson.

MR. PEARSON: Well, just a couple of points. On the Frobisher Bay system, that \$7,741,000 is last years dollars. How much it will ultimately cost when the project is complete, God knows. The present rate of inflation has put it already up to an estimated \$11,000,000 and yet it shows here as \$7,000,000. It will be an improvement in the community, but it will not eliminate the need for water truck delivery, nor will it eliminate the need for the proverbial honeybag that will be in use for quite some time as long as the housing situation and other conditions remain as they are in the community.

Water Pumping At Cape Dorset

The other question I have is I note on this list that there is no reference to Cape Dorset. Now some, I recall vividly some years ago when the government first proposed this scheme for pumping water from the lake in Cape Dorset to the community, it met with some considerable criticism at that time by myself and I think by other Members, scepticism. I know that it has since been under, since it has had several major breakdowns in the past few months or month. I wonder if they plan to pursue this system or whether they have got something else up their sleeves, unless of course, it was hidden in the O and M.

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

HON. ARNOLD McCALLUM: Well Mr. Chairman, a new system for Cape Dorset is not in this year. It is not to say that we have not, or to think that we are going to try to do something in terms of that community, but it is not for this coming year. We are not putting new water sanitation in the water sewer improvements in the community this year. We do have it in a capital plan, but it is not for this coming year.

In relation to the first comments, at least I thought they were comments, we would hope to eliminate, and I indicated earlier if at all possible, the honeybag system. We would like to be able to completely do it away but we are again not so naive to think that there will not be difficulties both in the sewage disposal and in water delivery and in piped water. We attempt to get as much as we can and to eliminate what would be a problem, and I think it will be as Mr. Pearson has indicated, they have had quite an improvement. If we can eliminate it, we would like to.

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

MR. EVALUARJUK: Mr. Chairman, I do not see anything concerning the sanitation and the water to improve the water delivery. I do not see anything about it in these estimates. The people from Hall Beach presenting a request for a long time now, from the nursing station and the RCMP, should know. The garbage is just behind the building, the nursing station. It starts to slide down into the settlement in the springtime, and they have been trying to get this increase. I would like to know why they do not have any funding available for Hall Beach to improve their sanitation.

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

Plans For Hall Beach

HON. ARNOLD McCALLUM: Mr. Chairman, again there is not anything for this coming year in Hall Beach. It is on a capital plan to start a predesign of water supply and sewage treatment disposal facilities in Hall Beach, to start on it next year. That is not this current year, but the following year. We would hope to get

into a detailed design and construction and it would be phased in over a number of years, over two or three years. The construction of the water supply and the construction of the sewage treatment disposal facilities, we expect that we would be able to start in 1979-80 and hopefully come into completion in 1981 to 1982, but it is in a plan phased over a number of years. It is not in for this and we have to set up priority areas and we do that in terms of trying to determine where we are going to spend capital funds.

THE CHAIRMAN (Mr. Stewart): Mr. Evaluarjuk, do you have something further?

Budgets For Pond Inlet And Igloolik

MR. EVALUARJUK: Mr. Chairman, I would like to ask a question. I would like to ask a question concerning the big difference between Pond Inlet's budget and Igloolik's. Igloolik is probably going to have a lot better facilities and they will have a lot more money.

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

HON. ARNOLD McCALLUM: Mr. Chairman, both in Pond Inlet and in Igloolik we are continuing with the construction of these water supply facilities, and a sewage treatment disposal facility in Igloolik and we would -- that is why we are starting it in Igloolik and in Pond Inlet we have not finished with the completion or we have not finished the construction of the facilities for Pond Inlet. We would hope to be able to over the next two or three years to finish both water and sewage disposal facilities in both of these communities. In the meantime, we will be making starts in both these areas, water and sewage facilities, in places like Hall Beach. We have certain amounts of funding and we try to phase in the construction of these facilities in the communities over two or three years.

THE CHAIRMAN (Mr. Stewart): Is that satisfactory, Mr. Evaluarjuk? The hour being 5:30 o'clock, do I have permission to report progress? I will recognize Mr. Pearson has indicated he wishes to speak. Shall I report progress at this time?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 11-64, Appropriation Ordinance, 1978-79

MR. STEWART: Mr. Speaker, your committee has been studying -- I have forgotten the bill number here now...

MR. SPEAKER: Bill 11-64.

MR. STEWART: Bill 11-64, and your committee wishes to report progress at this time.

MR. SPEAKER: Thank you, Mr. Stewart. Gentlemen, caucus chairman, the Hon. Arnold McCallum has indicated a caucus meeting tomorrow at 10:00 o'clock a.m. on the sixth floor of the Laing building. Are there any further announcements? Mr. Clerk, orders of the day.

ITEM NO. 12: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Remnant): Orders of the day, 2:30 o'clock p.m., January 26th, 1978, at the Explorer Hotel.

1. Prayer
2. Replies to Commissioner's Opening Address.
3. Questions and Returns
4. Oral Questions
5. Petitions

6. Reports of Standing and Special Committees
7. Notices of Motion
8. Motions for the Production of Papers
9. Motions
10. Tabling of Documents
11. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 8-64, 7-64, 17-64 and 11-64
12. Orders of the Day

MR. SPEAKER: This House stands adjourned until 2:30 o'clock p.m., January 26th, 1978, at the Explorer Hotel.

---ADJOURNMENT

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