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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

MONDAY, FEBRUARY 6, 1978

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

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

ITEM NO. 2: QUESTIONS AND RETURNS

Are there any returns, Deputy Commissioner Parker?

Return To Question W29-64: N.W.T. Gazette

DEPUTY COMMISSIONER PARKER: Mr. Speaker, Question 29-64. On Wednesday, February 1st, Mr. Nickerson requested information as to the commencement date of the Northwest Territories gazette and the proclamation of the Regulations Ordinance and the ordinance amending the Public Printing Ordinance.

The gazette is scheduled to commence publication immediately following publication of the revised consolidated Orders and Regulations of the Northwest Territories, namely in the last quarter of 1978. It is the intention of the government to proclaim the ordinance shortly before these publications, when a territorial printer will be appointed.

MR. SPEAKER: Written questions, Mr. Pudluk.

Question W40-64: Teacher Positions, High Arctic

MR. PUDLUK: Mr. Speaker, the teachers in my constituency would like to know if 27 positions for teachers will be taken off and from what area and why and when. If my question will be answered today I would like the answer written and to have it possibly today so I can make a telephone call to my constituents. Thank you.

MR. SPEAKER: Mr. Pudluk, the response to that question was given by Deputy Commissioner Parker last week where, as I recall, he indicated there were not 27 teachers' positions being let go and I think he could probably direct you to the return. He made a written return already on that exact point.

Return To Question W40-64: Refer To Return To Question W33-64, Grade Ten Inclusion

DEPUTY COMMISSIONER PARKER: Mr. Speaker, Mr. Pudluk's question is on the same subject as the question asked by Mr. Steen on February 2nd, Question W33-64, and as I said then the situation is such that we are not changing the program and there will be no reduction in the number of teachers unless there is a reduction in the number of students.

MR. SPEAKER: Mr. Pudluk.

MR. PUDLUK: Mr. Speaker, what was that number again?

MR. SPEAKER: Return to Question W33-64.

MR. PUDLUK: Thank you.

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

Question W41-64: Teachers For 1978-79

MR. STEEN: Mr. Speaker, in view of the number of telegrams I am receiving from my area, I would like to ask the administration just what is the total number of teachers that they intend to hire next year?

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W41-64: Teachers For 1978-79

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I can not say at this time what the total number of teachers to be hired for next year will be. We are reviewing our estimates now, that is our forecasts of student enrolment and we will be determining that figure some time in the last part of February and early March. That is the usual timing.

I might add that I have met with the officials of the Northwest Territories Teachers' Association and that association wanted to know on Friday last that same figure and I explained to them that it was just impossible to tell them the exact number of teachers that we would be hiring until we had finished our calculations and until we had finished looking at our forecast of enrolment.

I gave them the same reassurance that I have given this House, that we will not be reducing programs but that we must continue to match the number of teachers to the number of students that are registered. The protests due to this misunderstanding seem to continue to come in, Mr. Speaker.

MR. SPEAKER: Further written questions? Mr. Kilabuk.

Question W42-64: Water Pump, Clyde River

MR. KILABUK: Mr. Speaker, the people of Clyde River have directed me to ask the administration whether there is any possibility of acquiring a water pump as they are somewhat concerned about their drinking water being contaminated if they keep using the water truck delivery.

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, I would take the question as notice and would come back with a reply. So, I will reply later.

MR. SPEAKER: Further written questions? Mr. Steen.

Question W43-64: Reply To Question, Grade Ten Inclusion

MR. STEEN: Mr. Speaker, could I have a proper reply to the question I asked on February 2nd, pertaining to grade ten inclusion in Aklavik next fall? I believe my question has not been answered correctly.

MR. SPEAKER: What position is that, Mr. Steen?

MR. STEEN: The position to include grade ten in the community of Aklavik.

MR. SPEAKER: Is that a teacher's position?

MR. STEEN: Yes, it is the teacher's position. I have been promised that grade ten would be included in Aklavik for next fall and due to the cutback in man years, I believe, my question has not been answered.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Steen is absolutely correct. His question when asked on February 2nd dealt with the inclusion of grade ten and made reference to the 27 teaching positions which seemed to have been lost and I spoke to the matter of the 27 positions and I am afraid I failed to answer the other part of his question properly. If I may be given the opportunity, I will have an answer to that part tomorrow for sure.

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

Question W44-64: School Bus, Cape Dorset.

MR. EVALUARJUK: I received a telephone call from Cape Dorset concerning a school bus for the community. They have been wanting the school bus for some time now and still do.

They have asked me to ask the administration if they will be getting the school bus or not.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I am sorry but I missed the name of the settlement.

MR. SPEAKER: I think it was Cape Dorset, was it not?

DEPUTY COMMISSIONER PARKER: Thank you. I will take the question as notice and file a reply.

MR. SPEAKER: Any further written questions?

Item 3, oral questions.

Item 4, petitions.

Item 5, reports of standing and special committees. Mr. Lafferty.

ITEM NO. 5: REPORTS OF STANDING AND SPECIAL COMMITTEES.

Report Of Standing Committee On Finance.

MR. LAFFERTY: Mr. Speaker, the committee on finance met this morning, February 6, 1978 to consider Bill 12-64, Supplementary Appropriation Ordinance, No. 3, 1977-78. The meeting was attended by the following Members: Mr. Lafferty, Mr. Kilabuk, Mr. Lyall, Mr. Pudluk, Mr. Steen, Mr. Whitford. The committee found the supplementary estimates to be in order and has satisfied itself that the amounts requested are justified. The standing committee on finance therefore recommends to this House that the Supplementary Appropriation Ordinance, No. 3, 1977-78, be approved as submitted.

MR. SPEAKER: Item 6, notices of motion. Hon. Arnold McCallum.

ITEM NO. 6: NOTICES OF MOTION.

Notice Of Motion For First Reading Of Bill 12-64: Supplementary Appropriation Ordinance, No. 3, 1977-78

HON. ARNOLD McCALLUM: Mr. Speaker, I give notice that on the 7th day of February, 1978, I shall move that Bill 12-64, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Financial Year Ending the 31st day of March, 1978, be read for the first time.

MR. SPEAKER: Any further notices of motion?

Item 7, motions for the production of papers.

Item 8, motions. Motions 11-64 and 12-64 are the two that are outstanding.
Motion 11-64, Mr. Nickerson.

ITEM NO. 8: MOTIONS

Motion 11-64: Minister's Task Force On Regulations And Administrative Procedures

MR. NICKERSON: Mr. Speaker:

WHEREAS the Minister of Indian Affairs and Northern Development in his address to this Legislature on the 20th of January, 1978, indicated his intention to set up a departmental task force to examine all current regulations and administrative procedures relating to non-renewable resources development;

NOW THEREFORE, I move that the Minister of Indian Affairs and Northern Development be requested to appoint the Deputy Commissioner of the Northwest Territories to this task force on regulations and administrative procedures.

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

MR. NICKERSON: Mr. Speaker, it was very heartening to hear the Hon. Hugh Faulkner refer to his establishment of this committee or this task force in his address to the Assembly. I think it will do many important things and I would not like the thing to be glossed over at all. I think that many important things can come from the work that this task force is apparently going to do.

The present regulations and procedures are a mess. They are strangling industry in a morass of red tape. They are one of the reasons why resource development is not going ahead in the Northwest Territories at anywhere near the pace it should. There are very very many regulations that have come into being in an ad hoc manner. They have been put together in response to real and imagined crises and there was not any underlying trend associated with them. There are many inconsistencies, both in the regulations and the way with which they are dealt with by the civil service and frequently the regulations are found to be in conflict. Anybody who has ever taken the trouble to go through the Bellanca building in Yellowknife or the Centennial Towers in Ottawa will realize that there are many more people than are really necessary in the business of administering these various regulations. It seems that each separate branch of the department is out to build its own empire.

One of the biggest problems with the regulations we have at present is that either in the regulations themselves or in the view of the people who administer them, there is very little sense of proportion. The people who do the administration frequently are unable to tell the difference between the \$50 million oil well and a \$5000 diamond drill hole and they put the same restraints on both. They do not have a sense of proportion and a sense of what is desired and what is necessary in each instance.

Departmental Task Force

This will, as the Minister said, be a departmental task force. Ideally, I suppose it should have representatives from the Government of the Northwest Territories and perhaps even from this Legislature because what Indian Affairs and Northern Development does affects us very much. Also, ideally it should, of course have industry representation on it but apparently this is not to be the case and it is going to be an in-house task force. Therefore I think that we should look around, look around the Department of Indian Affairs and Northern Development and try to find a senior person in whom we can have confidence and all parties who would be affected by any changes made would also have confidence.

I think that Deputy Commissioner Parker as Deputy Commissioner of the Northwest Territories can fulfil most of these requirements and I think that he would serve well on this task force and he would keep our aims and objectives in mind. Thank you, Mr. Speaker.

MR. SPEAKER: Further discussion? Question?

SOME HON. MEMBERS: Question.

Motion 11-64, Carried

MR. SPEAKER: Question being called, all in favour? Down. Contrary? Motion is unanimously carried.

---Carried

MR. SPEAKER: Motion 12-64, Mr. Lafferty.

Motion 12-64: Distinct Native Groups In N.W.T.

MR. LAFFERTY: Mr. Speaker:

WHEREAS subsection 14 (3) of the Northwest Territories Act protects and guarantees rights of native people of the Northwest Territories, specifically Indians and Eskimos, thusly, "Nothing in subsection (2) shall be construed as authorizing the Commissioner in Council to make ordinances restricting or prohibiting Indians or Eskimos from hunting for food, on unoccupied crown lands, game other than game declared by the Governor in Council to be game in danger of becoming extinct.";

AND WHEREAS the Hon. Hugh Faulkner and his predecessor, the Hon. Warren Allmand, have unequivocally indicated the federal government's desire that the land claim of the Northwest Territories Metis should be presented equally and concurrently with the land claim of the Indian people of the Northwest Territories;

NOW THEREFORE, I move that the Prime Minister and his cabinet be advised that the Legislative Assembly of the Northwest Territories recognizes the Metis people, the Indian people and the Eskimo people as three distinct and unique groups within the native community in the Northwest Territories; and that the distinction should be reflected by the text of subsection 14(3) of the Northwest Territories Act wherein all three groups should be referred to rather than just Indians and Eskimos.

Mr. Speaker, this motion is seconded by the Honourable Member for Great Slave Lake, Mr. Whitford.

MR. SPEAKER: Mr. Lafferty, would you therefore care to speak to your motion? Are there any comments you wish to make?

MR. LAFFERTY: Yes, Mr. Speaker. In the history of the Metis people back in 1927, the half-breeds of the Northwest Territories were referred to in the Northwest Territories Act but somehow in the ensuing years to the present, this has been removed. Presently they have the privilege of holding a general hunting licence and through it they have the right to hunt, fish and trap for domestic use as the other two distinct native groups are privileged but this is not enshrined, Mr. Speaker. There are a lot of these distinct native groups in the Northwest Territories who are concerned that this privilege may be lost.

Fears Of Loss Of Rights

Having experienced the fears that are expressed, myself, and listening to Hon. Hugh Faulkner and his predecessor, Hon. Warren Allmand, that the Metis settlements must be under the umbrella of a native community, in the event that the settlements are not hurried -- presently there seems to be much dispute, unrest and so on in the native communities -- this right by birth of the native people may be lost or may be done away with in the future.

Mr. Speaker, reminding ourselves of our position in the proposed constitutional development in the Northwest Territories, it is expressed by Members of this House, that the distinction of the ethnic groups should be enshrined and that their rights to hunt as they have always done should be enshrined in the Northwest Territories.

Mr. Speaker, because of this interest expressed to protect the native interests then I feel that it is our responsibility as the only legitimate representatives of all the peoples of the Northwest Territories to make this simple request of the federal government, to enshrine for a group of our native people their privileges under the Northwest Territories Act. I think that we would close the gap in our communities. I think that there would be no more fear, I think that we could get together and work together for the betterment of all the peoples of the Northwest Territories.

Erosion Of Present Privileges

I had planned on introducing this motion a couple of years ago, as this House will recall, but I thought I would give it all this time to develop, hoping that the native organizations and Members of this House would familiarize themselves with the conditions as they exist. Seemingly things just got worse, not on the part of this House but on the part of the native organizations in the communities, namely the Indian Brotherhood and the Metis Association. I have certain fears that the erosion of the privileges that the Metis presently do have under regulation may further erode and the privileges will be lost to them in the future. I ask my honourable colleagues in this House to support me in my effort to ask the federal government to give us the same right as the other two distinct groups in the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Any further speakers? Mr. Lyall.

MR. LYALL: Mr. Speaker, I would just like to ask the Legal Advisor, seeing that the federal government put forward this proposal to both Dene and Metis claims in the Mackenzie Valley, I wonder if this motion is unnecessary because of the fact that these claims are proposed to the native Metis and the Dene. I wonder if the Legal Advisor has seen it and if the enshrinement of what this House always has been saying, that the enshrinement of all of the privileges that we have carried, that we always have -- this House always has agreed with that -- I wonder if that enshrinement for both the Dene and the Metis is not in this proposal discussion for the claims in the Mackenzie Valley.

MR. SPEAKER: Mr. Lyall, if you are arguing that the motion is either out of order, you can argue that, or you can argue that it is unnecessary; but if you want to ask a question of the Legal Advisor what you really should do is move that the motion be discussed in committee of the whole. That is when she can participate in discussion. At this point in time in formal session she can not answer that question.

Motion To Move Motion 12-64, Into Committee Of The Whole, Carried

MR. LYALL: Mr. Speaker, I move that we go into committee of the whole to discuss this matter of the distinct native groups in the Northwest Territories.

MR. SPEAKER: Is there a seconder? Hon. Peter Ernerk. Any discussion on that motion, that is to move into committee of the whole? I assume you apply it at an appropriate time. Any discussion on that motion? Mr. Whitford.

MR. WHITFORD: Mr. Speaker, as seconder of that motion it does not really matter to me, provided the mover agrees. Perhaps it may be better if we went into committee of the whole and then we could discuss this even further and hear views of other Members.

MR. SPEAKER: Any further discussion on Mr. Lyall's motion?

SOME HON. MEMBERS: Question.

MR. SPEAKER: Now the motion we are voting on, gentlemen, is to discuss the Motion 12-64 further, in committee of the whole. The question being called. All in favour? Down. Contrary? Motion is carried.

---Carried

Mr. Clerk, would you put it on the order paper for tomorrow, committee of the whole discussion, Motion 12-64.

Item 9, tabling of documents.

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

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

What is the wish of the Executive?

HON. ARNOLD McCALLUM: Mr. Speaker, at a caucus meeting we had indicated that we would be prepared to hear from people representing the Auditor General's office. On the list of bills, recommendations to the Legislature and other matters for consideration in committee of the whole, there is an item that says report of the Auditor General's financial management control study, in fact it should be the report of the Auditor General and of course, a financial management and control study. We would appreciate very much if we could bring both of these items together in committee of the whole and have representatives and witnesses from the Auditor General's office.

MR. SPEAKER: Thank you, Hon. Arnold McCallum. Mr. Nickerson.

MR. NICKERSON: Point of order, Mr. Speaker. I think that this material from the Auditor General's office has only just been circulated a matter of a few minutes ago and it is rather difficult for me at least, to study this in any detail. It would take me at least overnight. I wonder whether it would be at all possible to deal with this matter tomorrow to give Members an opportunity to study this very important and interesting material put forward by that office?

MR. SPEAKER: Mr. Nickerson, I thought this material was tabled last week as tabled documents. Mr. Clerk, when was that material which Hon. Arnold McCallum tabled inserted in Members tabled documents book?

CLERK OF THE HOUSE (Mr. Remnant): Friday, Mr. Speaker.

MR. SPEAKER: Hon. Arnold McCallum, can you check and see what the travel arrangements of those witnesses are to see if they would be terribly inconvenienced if this matter was dealt with tomorrow?

HON. ARNOLD McCALLUM: Yes, I will, Mr. Speaker.

MR. SPEAKER: While Hon. Arnold McCallum is doing that, are there any other Members who feel the way Mr. Nickerson does? Are other Members prepared at this time to proceed with hearing the Auditor General and dealing with his report?

MR. SPEAKER: It appears, Mr. Nickerson, that you are the only one who has a strong feeling about it one way or the other. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: We have had this set up for some time. Unfortunately, the gentlemen who are here from the Auditor General's office have a commitment with the Alberta government tomorrow in Edmonton at 9:30 a.m. They could stay till later this afternoon but that would unfortunately be it.

MR. SPEAKER: Well, in that there is only one Member who has expressed some concern, maybe what I may suggest, Mr. Nickerson, is that we go into committee of the whole, see how far we get and if you have some difficulty then maybe you could put an appropriate motion while in committee. See if we can solve it that way. Mr. Stewart, are you prepared to chair the committee?

MR. STEWART: Yes, Mr. Speaker.

MR. SPEAKER: This house will resolve into committee of the whole for consideration of the report of the Auditor General and the financial management and control study with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Tabled Document 1-64: Annual Report of Territorial Accounts; Tabled Document 2-64: Report to the Council of the Northwest Territories on Examination of the Financial Statements of the Government of the Northwest Territories for the Year Ended March 31, 1977; Tabled Document 17-64: Financial Management and Control Study Report on the Government of the Northwest Territories, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER TABLED DOCUMENT 1-64: ANNUAL REPORT OF TERRITORIAL ACCOUNTS; TABLED DOCUMENT 2-64: REPORT TO THE COUNCIL OF THE NORTHWEST TERRITORIES ON EXAMINATION OF THE FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR THE YEAR ENDED MARCH 31, 1977; TABLED DOCUMENT 17-64: FINANCIAL MANAGEMENT AND CONTROL STUDY REPORT ON THE GOVERNMENT OF THE NORTHWEST TERRITORIES

THE CHAIRMAN (Mr. Stewart): Committee will come to order to study in committee of the whole Tabled Document 1-64, Annual Report of Territorial Accounts; Tabled Document 2-64, Report of the Auditor General on Examination of the Financial Statements of the Government of the Northwest Territories. I believe that is document number two in your book, is that correct Mr. Minister?

Then the other, Tabled Document 17-64, the Financial Management and Control Study Report on the Government of the Northwest Territories, July 1977, and that document is bound with black. What witnesses?

HON. ARNOLD McCALLUM: Mr. Chairman, I wonder if we may have the witnesses, they are Mr. Ward, Mr. Bogda and I think there is another gentleman.

THE CHAIRMAN (Mr. Stewart): If you would give me their names please?

HON. ARNOLD McCALLUM: Mr. Ward, Mr. Paul Ward, Mr. Terry Hodgins and Mr. Bogda.

THE CHAIRMAN (Mr. Stewart): Mr. Ward, would you give us the other two names please for the record?

MR. WARD: All right. It is Mr. Terry Hodgins.

THE CHAIRMAN (Mr. Stewart): Hodgins?

MR. WARD: Hodgins, H-O-D-G-I-N-S, and Mr. Danny Bogda.

THE CHAIRMAN (Mr. Stewart): Thank you. Hon. Arnold McCallum, how do you wish to proceed with this matter? Would it be in order to ask the Deputy Commissioner to identify the documents to be looked at and give us a quick rundown on this matter or are you handling it?

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I think that there are comments that the witnesses may make on the documents and I think they would then be prepared to answer any queries that have been generated.

THE CHAIRMAN (Mr. Stewart): Thank you, then there are only the two documents as I have indicated, is that correct, that we will be dealing with?

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

MR. NICKERSON: Before we start discussions on this, maybe some explanation is to be forthcoming as to why this material was only made available five minutes ago to us. Is there any reason why it could not have been made available over the week end for study by Members?

THE CHAIRMAN (Mr. Stewart): The indication from the Clerk is that this information was in your books on Friday.

MR. NICKERSON: No. That might have been Friday night after we left and of course, we would then have just received it when we came in today but the information was not distributed on Friday.

THE CHAIRMAN (Mr. Stewart): Well, then we will ask the witnesses to proceed and give us the rundown. Which witness is going to start off for us?

Witnesses From Auditor General's Office

MR. WARD: I will lead off, Mr. Chairman. I am Paul Ward with the Auditor General's office in Ottawa and I am responsible for both the financial management and control studies and through Mr. Danny Bogda our regional director, the audit of the Northwest Territories. Directly on my right is Mr. Terry Hodgins, who is a manager with Coopers and Lybrand in Vancouver, and at the time of the study was on executive interchange to the office of the Auditor General. He was the study team leader. On my far right is Mr. Danny Bogda, who is the director of our Edmonton office and the individual directly responsible for the audit of the Northwest Territories and its corporations.

Mr. Chairman, it is our pleasure to be here today and to report under section 23(4) of the Northwest Territories Act the results of the financial management and control study and the 1977 audit. A financial management and control study was conducted from May of last year to the end of July. Recognizing Mr. Nickerson's point of a moment ago, we will try and identify and highlight as we go through the study, the key and salient points both of the financial management and control study...

MR. CHAIRMAN (Mr. Stewart): I wonder if I could, Mr. Ward, interrupt you for just a moment.

MR. WARD: Sure.

THE CHAIRMAN (Mr. Stewart): Will you try and slow down a little. We may be having interpreter trouble if you go too fast, especially when you are using some of those larger words. So, will you slow down a little, please?

MR. WARD: Sure, I would be very happy. I will try, Mr. Chairman.

Background Of The Study

We will try and identify the important and salient points both of the financial management and control study and of the audit. Maybe I could start off by giving a bit of the background of the study. The study of the Northwest Territories was part of a three year review of financial management and control practices in some 82 organizations that the Auditor General of Canada audits. The other studies have been reported over the past three years by the Auditor General in his regular annual report to parliament. This study covered financial management and control practices in the government itself, in the Northwest Territories Housing Corporation and in the Workers' Compensation Board. You may be a bit surprised by the size of the report. It is an extension of our traditional or normal audit practices as we move towards systems based auditing.

The detailed report itself, as you will notice, covers some 56 pages and has some 44 individual recommendations. The study itself is like a snapshot rather than a continuing roll of film. It is a look at the situation as it existed at the time of the study and does not purport to examine the background or the facts, the events of previous years. It did not look at operations to determine whether they were efficient or not. It did not look at the effectiveness of programs or the performance of individuals. It was looking at a system.

The study focused on areas that offered scope for improvement rather than those that were operating satisfactorily and I suppose, in that regard, Mr. Chairman, the study could be construed by some as being critical. Throughout the study the team had the full co-operation of the officials of the government, the commission and the corporation.

I would now like to turn it over to my colleagues, Mr. Hodgins to highlight the financial management and control study and to Mr. Bogda to identify the key items on the audit. Then, if I might, Mr. Chairman, I would like to have a very brief summing up of our findings.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Ward. Mr. Hodgins.

Detail Of Report

MR. HODGINS: Mr. Chairman, our study was conducted over a three month period ending in July of 1977. The result of that study is the report which you have recently received, being the 56 page document which Mr. Ward has referred to. I do not propose to go through the report page by page, but what I would like to do is deal with four of the major issues which are covered in the report and attempt to give you some background as to what we found to assist you in interpreting some of the comments which we have made.

The four particular issues that I propose to deal with are the need for continued recognition of the position of senior financial officer, the budgetary control system, data processing and revenue determination and collection.

At the present time the financial management and control in the government is vested primarily in the Assistant Commissioner who is recognized as the senior financial officer. He is supported in his role by the director of Finance. With some specific exceptions, generally we are not taking issue with the present financial organization. However, because the government has experienced and is continuing to experience organizational changes and reassignment of financial responsibility, we emphasize the need for maintaining a clearly defined senior position in which responsibility for all aspects of financial management and control can be centred.

Function Of Senior Financial Officer

It is to this individual that the Commissioner, the Executive Committee, department heads and territorial corporations should look for financial guidance and expert advice concerning the adequacy of financial controls, the integrity of financial information and the financial implications of proposed courses of action. To accomplish this we have concluded that the senior financial officer should continue to report directly to the Commissioner and should have direct input to the Executive Committee. His responsibilities should encompass all matters relating to the financial affairs of the government, including the financial aspects of planning and program evaluation and developing and monitoring financial policies and standards in the territorial corporations. To ensure that this position continues to exist with the desired status, his responsibilities should be formally documented and communicated to all individuals involved in the financial affairs of the government.

Budgetary Control System

A second key section of our report concerns the budgetary control system. An effective system of budgetary control should include informative financial plans which serve as a basis for allocating resources and a financial reporting system which measures actual results in relation to budgets. As Members of the Assembly, you are responsible for the voting of funds in the annual budget. As such, it is necessary that sufficient accurate information be provided in a manner so that you can be certain that funds are expended within the objectives of the government and your understanding of the program. This was the framework in which our recommendations in the budgetary control section of the report were made.

As part of our study we reviewed the control procedures surrounding the data processing system. We found that important control deficiencies existed in the computerized data processing of the major accounting records. Of most concern to us was the need to implement controls to ensure that all authorized transactions and only properly authorized transactions were processed.

The fourth major issue of the report which I will discuss is the need to establish a general policy to indicate the type of service to the public for which these are to be charged. Departmental fees and rates for services provided to the public should be subjected to review by the Executive Committee at least annually and should include a review of the costs of supplying the service to ensure the Executive Committee is fully informed of the financial implications of its decisions.

THE CHAIRMAN (Mr. Stewart): Mr. Hodgins, would you slow down a little, please?

MR. HODGINS: There is also a need to document the revenue procedures to ensure all individuals are aware of their responsibilities in this area so that all appropriate revenue is billed and collected.

Other Areas Of Report

Other areas dealt with in our report which I do not propose to elaborate on unless you have questions on them is the need for better definition and documentation of responsibilities relating to the financial and accounting functions in the government, more effective control over expenditures and certain assets, strengthening of internal audit and better financial reporting to improve disclosure of managerial accountability and operating results.

In the few moments I have spoken I have attempted to highlight some of the major areas of the report, realizing you have not had the opportunity of reading through the report in detail. On closing, on behalf of the other members of the study team and myself I would like to express our appreciation to the officers and staff of the Government of the Northwest Territories for the assistance and co-operation we received during the course of this study. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Hodgins. Mr. Bogda.

MR. BOGDA: Thank you, Mr. Chairman. I would like briefly to summarize for you items concerning our audit...

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I apologize for interrupting but I think that we are in grave danger here of getting so many things reported on and mixed in together that it will get all out of whack. I have to accept responsibility, I guess, for not having made an opening statement on this subject but maybe it would be as well to make it now even though it is after the fact.

Areas Covered By Study

The Government of Canada, through the Auditor General's department, determined some time ago to conduct a financial management and control study on all elements of the federal government and agencies which it funds and since we receive a very considerable portion of our funds from the federal government then we fell within this study.

The first two speakers who have talked to us this afternoon were speaking to that study. They reviewed our financial capabilities, our financial management and our financial controls; and what they have told you is that they have made recommendations in certain areas for changes, for improvements and I believe they found some areas to be adequate. Now that is covered by Tabled Documents 17-64, 15-64 and 16-64, which with great regret were tabled only on Friday.

Now, the report that we would receive from Mr. Bogda, who is our regular Auditor General's representative; he is the man who has come in with his staff year after year to audit the books of the territorial government. His is not the financial and management control study; his is the ongoing audit responsibility.

I would like to suggest to you, Mr. Chairman, that rather than ask Mr. Bogda to proceed with his observations at this time, that you open the floor for questioning or further discussion on the financial management control study portion and once that matter has been looked into to the satisfaction of Members, then Mr. Bogda's observations which are rather of a different nature, should come forward.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Deputy Commissioner. Does the committee agree to the proposals of the Deputy Commissioner? Agreed? Discussion then from the floor. Hon. David Searle.

Senior Financial Officer

HON. DAVID SEARLE: Mr. Chairman, returning to the four points that were mentioned, four general areas, the first one being the need to continue the senior finance officer. That is a strange recommendation because I can not for the life of me figure out why that recommendation would be made unless there is a recommendation somewhere else that we do not know about that recommends that there not be a senior financial officer. I mean, why would you make that first recommendation? What caused that to be first and foremost, if at all?

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

MR. WARD: You are quite correct, Hon. David Searle, it is an unusual recommendation. It appears in only two or three of our reports on financial management and control. What we were aware of at the time of the study was that there was contemplated a number of changes within the government. We were not aware what specifically these changes might be.

However, in our reviews of government departments and crown corporations and other agencies, we had found that when reorganizations take place, the consideration and need for a senior financial officer that reports at a senior level had not been considered. After the reorganization we found out that it was difficult to find who was a senior financial officer and if you did find the person who was responsible for finance, he was down at a clerical level. So it was simply to bring to the attention of the Legislature our feeling that this is an important position to be given consideration in all changes and reorganization and should be given a full recognition of its importance and impact in the matters and affairs of government.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Ward. Questions from the floor? Mr. Nickerson.

MR. NICKERSON: I am still very much at a loss, Mr. Chairman, at the report which I found rather difficult to hear, the verbal report there. The only thing that I really got out of that was the initial recommendation and I would take a certain amount of exception to that, the same as my colleague, Hon. David Searle. I guess from the strictly financial point of view this type of recommendation might make sense if you were dealing with a corporation, for instance; but when you take into account the fact that we are trying to develop a government in the Northwest Territories, I think that we should be quite satisfied with a senior man as director of Finance as long as we can have somebody as director of Finance who is extremely competent. That would be sufficient for normal governmental purposes.

Constitutional Considerations

It is our objective in the near future to no longer have an Assistant Commissioner and we would like to see that position filled by a Member of this Legislature who, unless he happens to be an accountant or something, would not have special expertise in the financial field.

So there is a certain conflict between what are strictly financial considerations and what might be termed constitutional considerations. It is still very difficult for me and I am sure it must be for all other Members of this committee to really recognize what was said by the witnesses there because we have not had time to study this. I wonder whether or not this information has been made available to the standing committee on finance, whether they have had an opportunity to peruse it and whether they have any recommendations.

THE CHAIRMAN (Mr. Stewart): Mr. Lafferty, as chairman of the finance committee, can you reply to this?

MR. LAFFERTY: No, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): No, Mr. Chairman, you can not reply to it, or no, you did not have the material? Mr. Whitford.

MR. WHITFORD: Mr. Chairman, I do not think this has even got to the board of directors of the Northwest Territories Housing Corporation yet to go through it.

Motion To Defer Consideration Of Reports Until Next Session.

MR. NICKERSON: Mr. Chairman, I think it is going to be very difficult for us to deal with this most important subject at the present time. There are 56 pages in the one report, another 20-odd pages in the report on the Housing Corporation. I guess in a way we have been unfair to the witnesses in not being prepared for them, but I would move that this matter be deferred until the next session, until the May session of the Legislature when we will be able to give it the proper attention it deserves.

THE CHAIRMAN (Mr. Stewart): I have a motion on the floor. To the motion. Mr. Commissioner.

COMMISSIONER (Mr. Hodgson): Mr. Chairman, and Members of the House, I see nothing wrong with the approach that Mr. Nickerson has suggested. Perhaps the administration who has been going over this and will continue to be going over it for those things that are obvious, recommendations that need immediate attention I am sure that would be in order and I think the House would agree for us to go ahead with them. But other things that may be of a different nature, I think that there is nothing the matter with this motion.

THE CHAIRMAN (Mr. Stewart): Thank you, to the motion, Hon. David Searle.

HON. DAVID SEARLE: I, in principle, agree with Mr. Nickerson. The only thing I would have hoped, however, that he might have held his motion until we had heard from Mr. Bogda. In other words, to two of the three gentlemen who have spoken. I would sooner see them complete their presentation, then at least we would have had that and have it on the record. Then between now and May we could refresh our memories on that and look at the report and be ready to enter into further discussion then. I wonder if there is not some way that we could achieve both ends by hearing the completion of presentations.

Motion Withdrawn

MR. NICKERSON: Yes, Mr. Chairman, I will withdraw that motion until such time as the other witnesses have the opportunity to make a presentation.

THE CHAIRMAN (Mr. Stewart): The Chair recognizes that you will withdraw your motion. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would just like to make certain that Members understand the Annual Report of Territorial Accounts and the report to the Council by the Auditor General. These documents are Tabled Documents 1-64 and 2-64, and they were tabled on January 20th, so the matters to which Mr. Bogda proposes to speak have been with us for some period of time. The problem lies with the financial control study.

MR. NICKERSON: The Deputy Commissioner is, of course, quite correct and really what I am worried about is the financial management and control study which is something that is likely to have long-term effects. I think we could deal with the Auditor General's report at the present time. So maybe I could make that motion again, but just with respect to the study.

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

MR. WARD: I wonder, before we move from the financial management control study if I might add one or two comments and add a couple of matters for the record which relate to the financial management and control study. I think that they should be in the record and if I might proceed, with the agreement of the Assembly, and leave these matters for further consideration when they review the report in detail.

THE CHAIRMAN (Mr. Stewart): Mr. Nickerson, would you withhold your motion then until we have this recorded? Thank you, Mr. Nickerson. Go ahead, Mr. Ward.

MR. WARD: I think it is important, Mr. Chairman, to have in the record, as it is in the cover of Mr. Rheal Chatelain's letter to the Legislature dated the 23rd of January, that in making our recommendations and the government in responding to those recommendations, there is basic agreement, there are no matters of disagreement. Also, the response of the government indicates that some improvements have been made, some have yet to be made. We see the need for a comprehensive plan of action with set down timeframes combined with strong central leadership to complete the task of putting right the deficiencies. We would hope, if this is going to be considered at a May meeting, that we might at that time have a plan of action available for review. I think in fairness to point out the...

THE CHAIRMAN (Mr. Stewart): Would you slow down again, Mr. Ward. I am sorry.

MR. WARD: Okay, thank you, Mr. Chairman. I think it is only fair to note that considerable positive work has already been undertaken but that much work lies ahead. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you. If there are no further comments, Mr. Nickerson, do you wish to make a motion at this time?

MR. NICKERSON: Yes, I move my previous motion, Mr. Chairman.

Motion To Defer Tabled Documents 17-64, 18-64, 16-64 And 15-64 Until Next Session, Carried

THE CHAIRMAN (Mr. Stewart): As I understand, your motion is to set aside until the May sitting, Tabled Documents 17-64, 18-64, 16-64 and 15-64.

MR. NICKERSON: That is correct, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): To the motion. Are you ready for the question?

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Stewart): All those in favour? Opposed? Motion is carried.

---Carried

THE CHAIRMAN (Mr. Stewart): Mr. Bogda, do you have -- Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: I wonder if since we have concluded for the present time with the two gentlemen concerned with the financial management and control study, you might permit them to step down and then in their place it would be advisable if Assistant Commissioner Mullins and Mr. Nielsen could come forward. The matters that Mr. Bogda will deal with will be very directly related to their responsibilities and I am sure that it would expedite the work of the committee to have them present.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Deputy Commissioner. Is this agreed by this committee?

---Agreed

Well, thank you very much Mr. Ward, and Mr. Hodgins for your attendance here. We will call Assistant Commissioner Mullins and Mr. Nielsen.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I have been in error. Mr. Ward would also speak with Mr. Bogda to his section of the report, so with your indulgence he should stay as well.

THE CHAIRMAN (Mr. Stewart): Agreed?

---Agreed

Now, for the advice of the committee, Tabled Document 1-64 that we are dealing with is the Annual Report of the Territorial Accounts and then Tabled Document 2-64 is a Report to the Council of the Northwest Territories on Examination of the Accounts and Financial Statements of the Government of the Northwest Territories for the Year Ended March 31st, 1977. Mr. Bodga.

MR. BOGDA: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): I will caution you to go slow again, please, okay?

MR. BOGDA: I will do my best to slow down.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. BOGDA: You have before you two reports by the Auditor General. The first report is our auditor's report on financial statements. The second report is our report dealing with other matters pertaining to the conduct of our audit which we feel we should bring to your attention under section 23(4) of the Northwest Territories Act.

Excesses Of Expenditures

I would first like to deal with our standard auditor's report on the financial statements. Under section C of our report we must report transactions which violated any act applicable to the territories. In this respect there were three classifications of expenditures which were made during the year that technically exceeded the administration's authority. These are as follows: One, a federal territorial financial agreement allows the Northwest Territories to spend on capital items out of uncommitted operating funds an amount equal, or an amount up to five per cent of the operating expenditures for the previous year. Capital expenditures in the year under review, out of uncommitted funds exceeded five per cent of the previous years operating expenditures by \$1,539,721. Two, revolving stores accounts operated by the Department of Economic Development and the fur auction advance account operated by the Department of Natural and Cultural Affairs exceeded limits authorized by the Legislature by \$251,232 and \$1137 respectively. Three, operating and maintenance expenditures by the Department of Economic Development exceeded their appropriation by \$40,270.

Our second report deals with four additional matters which we would like to bring to your attention. The first point and a very important item, is the need for a comprehensive financial manual. We reported on this need during our two prior years reports as well. Again, we reiterate that this is a very high priority item. A comprehensive manual is needed to provide a guide in financial policies and to ensure consistent application of procedures.

Inventory Control Lacking

Our second point deals with inventory in the central merchandising warehouse in Yellowknife. Internal control over this inventory was seriously lacking for most of the year and perpetual inventory records were not established until after December 31st, 1977. In view of the large amount of inventory on hand, roughly \$1,700,000, we feel that close attention should be given to controlling this inventory in the current year.

Transfers In Votes

Our third point is a housekeeping item which should be corrected. Presently, transfers approved by the Legislature in supplementary estimates are worded as an increase in one appropriation and a decrease in another. The increase for the voted transfer, for the vote of transfer in is shown but no change is shown to the appropriation for the transfer out. This is not a difficult item to correct but your estimates as they are now shown are somewhat misleading. They show total appropriations approved by the Legislature to be greater than they are.

Finally, the Liquor Ordinance restricts the amount of funds to be transferred to the consolidated revenue fund, to the net revenue of that fiscal year, as established by audit. In 1976-77, the Northwest Territories Liquor Control System transferred \$771,667 more than they actually earned. A similar situation occurred in 1975-76. If this practice is to continue, and it seems likely that it will, then it would be appropriate to amend the Liquor Ordinance.

I would like to make one change to something I said earlier. I referred to the perpetual inventory of the Yellowknife central merchandising warehouse as being December 31st. Well, then it is not correct, I am sorry. I said December 31st, 1977, and I should have said December 31st, 1976.

THE CHAIRMAN (Mr. Stewart): Thank you.

Audit Will Monitor Progress

MR. BOGDA: I would just briefly refer to the financial management and control study. We probably should point out to the Assembly that the extent of our audit in the future will be to monitor the progress of the recommendations and to ensure that you are meeting your budgeted time to time claim for implementing the recommendations.

In conclusion, we feel it appropriate to acknowledge that generally there were over-all improvements in the accounting records over that of the previous year. While this trend is most encouraging, we do also feel that there is still considerable scope for improvement. At this time we would also like to extend our appreciation to the Commissioner and all territorial staff whom we came in contact with during our audit, for the excellent co-operation and assistance they provided us with. Their courtesy and co-operation is greatly appreciated. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Bogda. Any questions from the floor? Mr. Nickerson.

MR. NICKERSON: I imagine, Mr. Chairman, the first question is directed to the financial staff of the Government of the Northwest Territories. There were five points just brought out by the Auditor General's agent here concerning over-expenditures; the need for a proper financial manual, some problems with warehousing in the central warehouse, the matter of different legal terminology to be used in the supplementary appropriations and the excessive transfer of funds under the Liquor Ordinance. I wonder if our financial people can answer each of those points one at a time and say exactly what they intend to do about it or what they have done about it, if improvements have already been made.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I would be happy to address some very specific comments to the observations of the Auditor General's office.

Intent Of Agreement Followed

The first item that was discussed was the overexpenditure on the capital account. Mr. Chairman, the reason for the overexpenditure was essentially a misinterpretation of the financial agreement between ourselves and the federal officials in the Department of Indian and Northern Affairs. Essentially the government followed fully the intent of the agreement when that agreement was developed but we were tripped up by a legal wording and the Auditor General's interpretation of the legal wording is absolutely correct.

Essentially, we did not transfer moneys from operations to capital last year in excess of five per cent of the operating expenditures. What we did do was to vote capital moneys last year which had lapsed in the previous year. In other words in the 1975-76 fiscal year the government underspent rather seriously the capital moneys because many projects were delayed and it was not possible to complete them until 1976-77. We therefore provided to this body additional supplementary requests and obtained authority to spend additional moneys in 1976-77. This was correct with respect to the procedure used in the estimates. It was incorrect with respect to the precise wording of the financial agreement and the Government of Canada has agreed to amend the financial agreement for next year.

The financial agreement for the year we are now in has the same provisions but we do not expect that we will be over the limit this year at all. As a matter of fact, we will be well within the limits in 1977-78. Mr. Chairman, there was a problem, we have identified it and the correction is being taken.

The second issue, I believe, deals with the question of manuals. This is a question which Mr. Ward referred to earlier in terms of documentation of policy and the documentation was one of the difficulties the Auditor General's group found in its financial control study and is common to the specific comments raised by Mr. Bogda. The Executive Committee has approved a comprehensive manuals policy for the development of a three volume set of manuals, one dealing with financial matters. That manual is under way now and we are expecting completion before the end of this calendar year. It is a very important task and one to which the Executive subcommittee on finance and the Department of Finance attach a high priority.

Ceiling On Revolving Fund Raised

With respect to the issues whereby the authority of the revolving fund was exceeded during the fiscal year in question, you may recall that in January of 1977, I believe it was January, 1977, we increased the ceiling on the revolving fund. We have sought approval through supplementary estimates to increase the size of the revolving fund and that has been accomplished.

The Executive Committee was informed in December, 1976, in advance of the audit by the Auditor General, of the lack of internal controls in the central merchandising warehouse of the Department of Economic Development. Within about five days of Executive Committee awareness of that problem, control was fully re-established. Control was fully established in the central merchandising warehouse and it has been under control as the Auditor General has recorded as reported since December 31, 1976. I am most confident that the audit to be carried out this year will report fully on that control.

I think the next comment agreed was related to the transfers approved and supplementary appropriations. That is an issue which lies rather fully on my shoulders because I felt it was sufficient for the purposes of supplementary estimates to show increases only and to note, but not to officially seek a vote of this Legislature where moneys were to be reduced from one program. As

an example, Mr. Chairman, when new hamlets are established we reduce the funding authority in a department such as Public Works and increase the spending authority in the Department of Local Government and what we neglected to do last year was to actually reduce the spending authority. These future supplementary estimates will be amended to reflect that point.

Changes In Liquor Ordinance

Mr. Chairman, I had to take a decision on the Northwest Territories Liquor Control System as to whether to streamline the ordinance in its financial components only or to make a number of changes and present a single bill to the House. The new general manager of the liquor system is now in the process of developing major proposals to amend the Liquor Ordinance and in those changes that will be proposed will be changes reflecting the Auditor General's comments. What we had proposed to do, Mr. Chairman, was to bring the Liquor Ordinance to this Legislature once rather than twice in the same year. Therefore we have delayed, intentionally, the making of these technical changes until such time as a comprehensive bill could be provided to the Legislature.

I believe, Mr. Chairman, I have answered all of the questions raised. If there are any that I have neglected I would be appreciative of being so informed.

THE CHAIRMAN (Mr. Stewart): Thank you. In view of the hour, is it the wish of the committee to recess for 15 minutes for coffee? Stand recessed for 15 minutes.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls this committee back to order. Just prior to recess Assistant Commissioner Mullins had replied to a question by Mr. Nickerson. Any further questions? Mr. Nickerson.

MR. NICKERSON: All kinds of them, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): I was afraid you would, sir.

Deferred Accounts Receivable

MR. NICKERSON: I refer you to page eight and under the item 3, deferred accounts receivable. It would appear that there is money in excess of half a million dollars which is owed by certain co-operatives to the Government of the Northwest Territories and the collection of these funds has been deferred. I wonder what this money is due for? Is it loans that we have made or services we have rendered and I see that here it was to have been deferred until April 1, 1978. I wonder if we will at that particular point in time be able to collect this fairly substantial sum of money or whether it will be deferred even further?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the amounts referred to as \$632,000 accounts receivable relate to the amounts owed this government for POL, petroleum, oil and lubricants, products. As many Members are aware, the co-operatives in many situations act as our agents. As you know, the co-operatives experienced considerable financial difficulty in 1976 and major federal-territorial efforts were focused in 1977 on correcting those problems. Major contribution funding from the federal government is expected for next year and it is during next year that we intend to regularize the problem with respect to the outstanding POL accounts.

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

MR. NICKERSON: I take that as meaning that things will not be set right on April 1, 1978, as stated here but rather would be put right by April 1, 1979, is that correct?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, it is our intention that it will be regularized during the fiscal year commencing April 1, 1978.

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

Credit Union Mutual Aid Depository Loan

MR. NICKERSON: A question relating to item 6, the \$750,000 that we loaned to the credit union mutual aid depository fund. It is stated here that although this is a demand loan and we could call that loan at any time, there is no intention of the government calling the loan. Is there anything in writing, any signed undertaking on behalf of this government that that loan will not be called? Apart from that, when do you feel that that loan would be able to be repaid?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, at the time that that loan was presented to this House in supplementary estimates it was indicated that the loan would have to be made for a minimum of about five years and if things went well, probably six or seven years before it could be repaid. We have no indication at all that it would be repaid before the five years are up.

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

MR. NICKERSON: Still presumably within six or seven years, or does it now look like it is going to be ten years or more?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I am not confident that it will be repaid in five years.

MR. NICKERSON: I guess it is no longer worth pursuing that line of questioning. I do not think I am going to get very far with it.

Loans From Canada

Another point on page nine, item 9 on loans from Canada, Mr. Chairman, the accumulated interest on deferred loans amounting to some \$24 million. Is this money paid by us during the course of the year or is this interest, accumulated interest, payment of that deferred as is that of the principal?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the issue here is that we have been collecting principal and interest on loans made to municipalities at a faster rate than our borrowings from the Government of Canada require repayment. This has been an issue on which we have been dealing with the federal government now for two years and the corrective action to regularize this whole matter will be contained in the supplementary estimates to be presented to this House at this session.

THE CHAIRMAN (Mr. Stewart): Thank you. Any other questions? Mr. Nickerson? Assistant Commissioner Mullins.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I think there is one other issue that should be mentioned because there are two issues in this together. Several years ago the Government of Canada made loans to this government for capital expenditures which were not reloaned to municipalities but were spent by this government. We then were required as a government to ask the Assembly for authority to pay off the interest by an appropriation of this Legislature.

The Auditor General observed several years ago that it was inappropriate to pay the crown a debt by having this Legislature vote that debt and we have since been having our capital moneys provided to us by contributions rather than by loans. We have concluded our discussions with the Government of Canada with respect to how the past interest on those debts shall be handled and the ball is now in the federal government's court to seek a write off of the outstanding loans.

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

MR. NICKERSON: I would have to agree that that is the way to go about this. Would I be correct in thinking that those interest payments could be written off by an order in council? Is that the route that would have to be taken?

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

ASSISTANT COMMISSIONER MULLINS: No, Mr. Chairman. The only way that the federal government can write off large loans is to place an appropriation before the parliament of Canada. Essentially what has to be done is the loan is recorded as an asset in the statements of assets and liabilities of the Government of Canada and expenditure is needed by parliament to remove that from the asset column of that statement.

MR. NICKERSON: Now I understand that deferrals can be made by order in council, but write offs can not be made that way.

Contingent Liabilities

In item 11 I imagine that the reason why the Fort Resolution sawmill guarantee does not turn up is that that was made in a later fiscal year, is that correct, Mr. Chairman?

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

ASSISTANT COMMISSIONER MULLINS: The Fort Resolution sawmill guarantee was a guarantee made in the form of a contribution. In other words, in supplementary estimates in the fiscal year in which we are now, in May, rather than provide an ordinance which made a guarantee, we presented an appropriation to the Legislature, on the understanding that if moneys were required to back up the guarantee, that those moneys would be used; if they were not required to be paid, then they would not be paid off. But under the Financial Administration Ordinance for us to guarantee anything it is necessary to have an appropriation and the appropriation took the form of a commitment to make a contribution and those moneys were contained in supplementary estimates this year.

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

MR. NICKERSON: I wonder, Mr. Chairman, if I could ask the Auditor General's staff member if he is satisfied that that is a correct procedure for the guaranteeing of loans or whether they would see any difficulty with that procedure that had been adopted in the case of the Fort Resolution sawmill.

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

MR. BOGDA: Well, I am not very familiar with the particulars of the Fort Resolution sawmill. I think from our point of view we would look at it at the year end at March 31st, 1977 and if there were a contingent liability we would like to have it disclosed in the notice of the financial statements. Now, I should point out that these are the territories' financial statements and there may be other minor contingent liabilities that may not have been recorded, but normally the territories try to pick these up and report them to you if we feel and they feel they are significant.

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

Loans To Municipalities And School Districts

MR. NICKERSON: On another matter, Mr. Chairman, I understand that certain of our loans to municipalities are not being repaid. We have deferred both principal repayments and interest on those loans. Is there anywhere in these accounts where such loans are shown so that we know the extent to which money is not being collected?

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

MR. BOGDA: Well, that is disclosed in item 5 of the financial statements.

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

MR. NICKERSON: I am sorry, I did not hear the reply, Mr. Chairman.

MR. BOGDA: I say, the loans to municipalities are disclosed on the balance sheet and also are referred to under item 5 of the financial statements.

MR. NICKERSON: And this shows, Mr. Chairman, those loans which are not in the process of being repaid, or loans payment of interest and principal on which has been deferred, is this correct?

MR. BOGDA: No, it in effect shows the entire loans receivable to the municipalities and school districts and the terms of those loans are summarized but they are not in detail.

MR. NICKERSON: Mr. Chairman, I wonder if one of these loans which is not being repaid by the municipality, if you could point to one as an illustration?

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, if I could refer to the substance of the issue while Mr. Bogda and Mr. Nielsen are looking at the financial statements. We have agreed in principle with the federal government that loans made to Inuvik for the development and subsequent sale of lots do not need to be repaid at the time of the payment schedule, but principal and interest can be deferred until such time as the lots are sold and during that time the interest will be capitalized. With respect to the town of Inuvik, this arrangement is made for the fiscal year we are now in and was not reflected in the last financial year.

My understanding from the territorial treasurer, who just quietly leaned over and helped us out, is that a small loan was deferred in the fiscal year

in question, that is 1976-77, with respect to the town of Hay River but I am not exactly sure where that fits on our financial statements.

THE CHAIRMAN (Mr. Stewart): Any other questions?

ASSISTANT COMMISSIONER MULLINS: It is not shown as a deferred, it is shown in our receivable columns; but a special note to the fact that it was not made according to the schedule, is not included.

Bilingual Program

MR. NICKERSON: So long as it is included in the accounts, Mr. Chairman. I have a number of questions but I have been monopolizing the whole questioning process. I think I will skip over some, probably much to the relief of my colleagues. I only have two further questions, one of which is of a serious nature and that is on Schedule 8, where it refers to disbursements made on behalf of the Government of Canada and this is a referral here made to a bilingual program in Yellowknife sums expended in the region of \$68,000. I wonder what this bilingual program is, I have never heard of it before.

THE CHAIRMAN (Mr. Stewart): That would be page 55 or 56, Mr. Nickerson?

MR. NICKERSON: Page 56, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Page 56 of Schedule 8. Assistant Commissioner Mullins.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I quite honestly do not know what it was that was transacted in this way. Mr. Chairman the Schedule 8 on page 56 refers to Government of Canada expenditures which we have carried out on their behalf on a contract basis and does not reflect expenditures made on the authority of this Council, nor is it made by moneys voted by this House. And, I am sorry, I can not give the details at this time of the two items in question which I gather total about \$68,000.

Accountable Advances Outstanding

MR. NICKERSON: One last question, Mr. Chairman, right on page 58 at the back and I notice that there were several accountable advances that had not been accounted for. Most of these are for very small sums of money and obviously easily rectified, but there are three amounts due from individuals in excess of \$1000 to a Mr. R. Dorin, to a Mr. P. Ernerk and to a Mr. M. Smith. I wonder if these advances have now been fully accounted for?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Nickerson, all of the advances on this page, with one or two minor exceptions, have all been accounted for.

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

MR. NICKERSON: I would like to thank the committee and the witnesses for hearing me out, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Are there any further questions from this committee? Then I must presume that the business of this committee has been concluded and I should report progress? Mr. Lyall.

Revolving Funds

MR. LYALL: Mr. Chairman, if this was already explained I would like to ask it for myself. This page two and three, revolving stores operated by the Department of Economic Development overexpended by \$251,232 could there be an explanation please?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I would be happy to explain that note. The concept of a revolving fund is that an amount of money is established, in the case of the Department of Economic Development for the purpose of purchasing goods manufactured by the various Department of Economic Development projects, as an example, the Inuvik parka factory. When those goods are sold the money is credited to that account and basically the total of the revolving fund represents the amount of inventory that the revolving fund can handle.

During the year in question the revolving fund was managed in such a way that a quarter of a million dollars more inventory was on hand at any one time than had been authorized by this House and that was a result of a faster than anticipated build-up of the production of the Inuvik parka factory. As a result of that issue in supplementary estimates last year an item was placed before this House to have the size of the revolving fund increased so it could handle a larger volume of inventory. But really the revolving fund is, in essence, inventory financing between the time that the goods are produced by the various projects and the time that they are sold in the market.

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

Fur Auction Advances

MR. LYALL: Mr. Chairman, also, the fur auction advances by the Department of Natural and Cultural Affairs exceeded the authorized fund by \$1137. Am I correct in saying that? Also I would like to know, does Natural and Cultural Affairs collect a token fee from any of the trappers that do put fur in? I feel that there should be some kind of a token fee just to get back some of the money or to get more money into that account or to pay for transportation.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the amount of the authority exceeded was \$1137 and that represented again excess financing by the fund over that which was authorized. The fund allows trappers to be paid a partial payment for their furs in advance of them being sold. When the receipts are received from the fur auctions the amount advanced goes back into the fund and the difference between the amount of the advance and the actual sale price goes on to the trapper. So that there is an automatic mechanism for replenishing the account. This works very similarly to the Canadian Wheat Board and to the Freshwater Fish Marketing Corporation in its concept.

MR. LYALL: Mr. Chairman.

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

MR. LYALL: Am I correct in assuming this was an overpayment on some peoples' part?

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

ASSISTANT COMMISSIONER MULLINS: No, Mr. Chairman, that would not be an account resulting from overpayment. It would reflect the fact that more furs were purchased than had been authorized by the account but that the money would still be credited to the account to bring this balance below the amount authorized. So in my judgment I know it does not reflect the fact that there were losses in this account.

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

Token Fees For Handling Furs

MR. LYALL: Mr. Chairman, my last question is does the Department of Economic Development or the Department of Natural and Cultural Affairs see those token fees for handling that fur? If not, I should believe that there should be a token fee paid to them by the hunters so that maybe the excess like this could be overcome maybe in about five years, although you give them so much money a year they are going to have this kind of exceeded funds.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, that could be considered. I think there are really two problems here. One is the administration did not seek authority quickly enough to increase the size of the revolving fund. The second is that we did not have sufficient financial controls at the time to stop those who were paying advances from doing so until such time as additional receipts were received from the market place. I believe we have taken corrective action on both of those issues.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any further questions of our witnesses? No further questions. Do I conclude that you are through with Tabled Documents 1-64 and 2-64? Agreed?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Stewart): Gentlemen, Mr. Ward, Mr. Bogda, Assistant Commissioner Mullins and Mr. Nielsen, on behalf of the committee I thank you for your presence.

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Tabled Document 1-64, Annual Report Of Territorial Accounts; Tabled Document 2-64, Report To The Council Of The Northwest Territories On Examination Of The Financial Statements Of The Government Of The Northwest Territories For The Year Ended March 31, 1977; Tabled Document 17-64: Financial Management And Control Study Report On The Government Of The Northwest Territories

MR. STEWART: Mr. Speaker, your committee has been studying Tabled Document 1-64, Annual Report of Territorial Accounts; Tabled Document 2-64, Report to the Council of the Northwest Territories on Examination of the Financial Statements of the Government of the Northwest Territories for the Year Ended March 31, 1977, and wish to advise that we have concluded our study on these two documents.

MR. SPEAKER: I think, Mr. Stewart, it would be appropriate to report Mr. Nickerson's motion as well if you do not mind, in so far as it deals with dealing with a certain aspect of that, in fact the financial management and control study, at the next session.

MR. STEWART: Mr. Speaker, during the committee study on Tabled Documents 1-64 and 2-64, a motion was passed setting aside Tabled Document 16-64, Financial Management and Control Study Report on the Northwest Territories Housing Corporation, July 1977, until the May sitting.

Tabled Documents 18-64, 16-64 and 15-64, I believe it is. Could I check the numbers, sir, and report later on? There is a group of them set aside.

MR. SPEAKER: Hon. Arnold McCallum, do you want to go back into Bill 11-64, Appropriation Ordinance, 1978-79, now?

HON. ARNOLD McCALLUM: Yes, Mr. Speaker. I think that we had finished with Natural and Cultural Affairs.

MR. SPEAKER: So you want to do Economic Development and Tourism? Mr. Stewart, do you want to take the chair, or do you want someone else in the chair?

MR. STEWART: If somebody else is available, sir, I would enjoy a break. However, I would like to finish reporting out on that last paper or Tabled Documents 15-64 to 18-64 inclusive, that have been set aside for study in the May session.

MR. SPEAKER: Thank you. Mr. Lyall, could I ask you to take the chair, please? This House will resolve into committee of the whole for continued consideration of Bill 11-64, Appropriation Ordinance, 1978-79, with Mr. Lyall in the chair.

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

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

THE CHAIRMAN (Mr. Lyall): This committee will come to order. We start on page 12.01, Department of Economic Development and Tourism. Hon. Peter Ernerk, would you like to get some witnesses in here?

HON. PETER ERNERK: Mr. Chairman, I wonder if I could ask the committee to have Mr. Stewart sit next to me? Mr. Stewart is a director of Economic Development and Tourism.

THE CHAIRMAN (Mr. Lyall): Agreed?

SOME HON. MEMBERS: Agreed.

Department Of Economic Development And Tourism

HON. PETER ERNERK: Mr. Chairman, I wonder if I would be permitted to make a few remarks before we go into the actual discussion of the Department of Economic Development and Tourism.

THE CHAIRMAN (Mr. Lyall): Agreed?

SOME HON. MEMBERS: Agreed.

HON. PETER ERNERK: Mr. Chairman, before I go on to the actual details of the department itself, I would like to make a few remarks with regard to the 1978 activities of the department itself. As you know, the Mackenzie Valley pipeline has greatly caused a turn down in economic activity as land-based oil and gas exploration has fallen off with the decision in August to construct a natural gas pipeline through the Yukon. The effects have been felt within the small businesses along the valley as well as general job markets. As expressed by the delegates who attended employment option conferences held in Fort Simpson and Norman Wells, as well as Inuvik, mineral exploration will continue at a level at least as great as 1977, concentrated almost entirely in the search for uranium ore. However, I can say that Nanasivik mine has had to reduce employment opportunities because of low lead and zinc prices and therefore northerners lost their jobs as a result.

The Dome/Canmar project on the other hand has provided a considerable base of income and employment in the Delta. There were 192 direct jobs and over \$1 million in revenues to some 42 local businesses. This is expected to continue in 1978.

Job Creation

Briefly, I want to talk about job creation as one of the major objectives of this department. Providing new jobs for a large number of territorial residents is beyond the financial capacities of this government. It needs either major private sector projects or large federally funded construction projects. The recent announcement of the Minister of Indian Affairs and Northern Development is an important one and my department will make every effort to have northerners employed when the construction begins with regard to Fort Liard highway.

One area where government can work with industry to provide jobs at small cost is through helping to arrange rotation employment. This was done during 1977 with Echo Bay mines, as well as Terra mines and will continue in 1978. The employment and training division of the Department of Economic Development will put particular emphasis on developing work opportunities for northerners in the transportation industry by working with industry and unions to demonstrate the benefit of hiring northerners, to identify and establish training and

apprenticeship positions in the industry and by making northerners aware of different types of opportunities. In training programs generally, emphasis will be put on professional types of training such as resource management officers, accountants and social workers. The progress of these programs has resulted in a budget increase of \$525,000 over 1977 to cover salary costs of trainees and apprentices within the government.

In other sectors the picture is again not very encouraging. You are well aware, Mr. Chairman, of the difficulties presently being encountered in the seal industry. In the fishing industry markets for char remain good but freshwater fish prices continue to be depressed. A subsidy program has been in operation on Great Slave Lake for the past two years and must be continued in 1978 if fishing is to take place on the lake this year. The market price for lumber it is hoped will be maintained at 1977 levels. The travel and tourism industry in the Northwest Territories is very much dependant on the general level of business conditions because much of the revenue to hotels, restaurants and airlines comes from the travelling businessman.

Leisure Tourist Industry

The leisure tourist industry is growing but quite slowly. We think it will receive a big boost from the construction of the Liard highway which will provide the circle route into the territories to attract road travellers; and to some extent from completion of the Dempster highway. In the tourism and parks programs the department has begun discussions with the Travel Industry Association to find ways of improving its programs to assist the industry. These discussions will focus on making better use of the department's relatively small promotion budget and on developing new attractions and awareness of tourism in the Northwest Territories. These discussions have started quite recently and I am not in a position to say what these plans will look like.

Considering, Mr. Chairman, the slow growth in the territorial economy as a whole the smallest, or the small business sector in the territories has shown commendable effort in growth. Last year there was a rise of over 25 per cent in loans from the Small Business Loan and Guarantees Fund over 1976. The Department of Regional Economic Expansion's special item, incentive grants program was introduced on a cost shared arrangement in June of 1977. At the end of January, 35 applications had been received and 12 grants totalling \$475,000 were approved. The department will put a lot of emphasis on developing this program in 1978 and \$150,000 has been put into estimates to fund our share of the program in 1978.

Department Of Regional Economic Expansion

I have asked Mr. Walter Wilhelm to appear before this committee at some point in the future to talk to you about DREE programs in the Northwest Territories. Mr. Wilhelm is the manager in Yellowknife for DREE. As noted by the Minister of Indian Affairs and Northern Development, the department's program of some 50 subsidized commercial and craft projects is unique in Canada. It employs an estimated 1200 people full and part time at a net cost program expenditures minus revenues of \$3 million in areas where the private sector can not provide employment or services on a viable basis or where local entrepreneurs have not taken advantage of opportunities.

Government loans and subsidized projects are not the answer in some important respects, however. Local ownership and management must be fostered. In this year the department will seek to put some projects on a contribution funding status so that local people are responsible for managing the funds. All projects will have local advisory boards and due to budget constraints it will not be possible to contemplate opening new projects or permit significant expansion in existing projects in the main estimates.

Decentralization

With regard to decentralization it made its main impact felt in the department's budget during the past year, 1977-78. A reorganization carried out in August of 1976, led to decentralization of nine positions from headquarters. In 1978-79, five new positions will be created to strengthen the department's field work, two area economic development officers in Keewatin and Fort Smith regions and clerical support in three of the regional offices. I think I might also add that since we have faced so much economic set-back, within the past two years, we will have to look at the tourism industry as one of the major areas for economic development in the Northwest Territories. As I understand it, this was certainly felt by various members of this government when they had employment option conferences a few months ago. That is all I have to say for now, Mr. Chairman. Thank you very much.

THE CHAIRMAN (Mr. Lyall): Thank you, Hon. Peter Ernerk. Comments of a general nature, Department of Economic Development and Tourism on page 12.10. Mr. Stewart.

MR. STEWART: Thank you, Mr. Chairman. Some general comments relative to the Minister's statements. I understand on recent trips being made by Canmar that they do plan to continue their operation this summer, however the indications are from the company that unless they receive extensions of season and relaxing in part of some of the very stringent regulations placed on them, that indeed this may be the last year of Canmar. We appreciate I am sure the number of people that they are employing and the effect they are having on the region of the lower Mackenzie.

Programs In Which Money Is Being Made

Dealing a little closer to home those things that the Department of Economic Development have been funding and are actually making money on, are really being sadly neglected in some respects. A point in instance is the furniture factory in Hay River that badly needs warehouse space and an expansion to meet as I understand it from the people that are running the operation, to meet the requirements so that they can produce the furniture that they have actual sales for. I understand that here is one instance where our people have really gone out and created a market.

I understand this year again that as far as prefab housing is concerned, that again the housing will be supplied from Saskatchewan and probably one of the larger orders of recent years and we will continue to buy prefab housing that is actually produced in the province of Saskatchewan.

Relative to the movement of freight on the Mackenzie we are caught in a bind. We have one possible customer this particular year, a large customer and I speak now of Canmar, but on the over-all picture of a few years ago this would have been actually relatively a drop in the bucket. We have two companies, Northern Transportation Company Limited and Arcnav Marine Limited fighting for this contract and whoever gets it will operate and whoever does not get it will probably not operate any more than on a very restricted scale. So the business on the river as far as transportation is concerned is nearing a disastrous position and there does not seem to be anything at all in the future to be taking its place. I suppose as usual and nobody is to blame, we have a school now in Hay River that is training our young people to be able to take their rightful place on the river and within two years we are going to have no river to put them on. The river will be there but there will be no work.

Commercial Fishing

The commercial fishing is in the state of tragedy. The Freshwater Fish Marketing Board, I am afraid, is taking advantage of the fishermen of Great Slave Lake inasmuch as traditionally the production of Great Slave Lake was sold fresh. The fresh fish market is by far the most profitable market and at the present day there is hardly a pound of Great Slave Lake fish being sold in this manner. Rather, the production from Lake Winnipeg is being shipped to the United States in the fresh state, our fish is being shipped fresh out of Hay River to Winnipeg to be frozen in Winnipeg. Now, there are two problems here. One is, of course, that quality drops significantly when there is that period of time between the actual catching of the fish and transporting it to Winnipeg and in many instances that fish will sit two or three days on the rail siding in Winnipeg before they are able even to get into the Freshwater Fish Marketing Board's freezing plants and with the net result that the quality is down. This quality is charged back to the fishermen on Great Slave Lake, any of these losses they have to absorb.

So, we have got a product that we have previously sold fresh and now we have to pay for the freezing of it in Winnipeg. We have to pay the losses encumbered by the fact that this fish is so long between the actual catching and freezing. The fishery on Great Slave Lake is in trouble, indeed, as indicated by our Minister, we have had to subsidize the industry for the last two or three years. Now, surely if this fish is going to be frozen it certainly should be frozen in the Northwest Territories. At least we would overcome part of our problem and the waste on the delay from the boat to the plant would be a lot less and we should certainly be able to reduce drastically the culling that is now taking place. We all, however, must recognize that the cost of freezing in the Northwest Territories due to the high power rates, high cost of water, is probably considerably more but I think we would probably be at least in a balance when we compare these to the costs in the Northwest Territories.

The Mackenzie Valley Is In Dire Straits

It is no fault of the Department of Economic Development that the Mackenzie Valley is in dire straits and there does not appear to be anything on the horizon to alleviate this. I would have hoped that this department may have come up with some new ideas. We have been working very hard to try and come up with something. We can not really come up with anything either but I think we have to recognize that the Mackenzie section of the Northwest Territories is in a depressed state and the future outlook is worse because there is not anything in the future at all. Thank you.

THE CHAIRMAN (Mr. Lyall): Thank you very much, Mr. Stewart, for your editorial Mr. Minister.

HON. PETER ERNERK: I really do not have any reply to the Honourable Member from Hay River with regard to fisheries, but I understand that fish of course are frozen in Hay River and shipped to the outside agencies. Anyway, if that is not the case then I guess that I am mistaken.

However, about the Hay River furniture factory which the Honourable Member mentioned, we have I believe last year set aside somewhere in the neighbourhood of \$150,000 and I also understand that we were not able to get additional approval on that amount of money. A little while ago the superintendent of Economic Development for that region was asked to re-evaluate the situation with the hope that we would be able to seek further funds as well as a warehouse or accommodation for the warehouse in Hay River. Once that review has been completed we should be in a better position to say exactly how much or how far we wish to go on this particular matter.

THE CHAIRMAN (Mr. Lyall): Thank you very much, Mr. Minister. Maybe in your next comments, Hon. Peter Ernerk, you could tell this committee how many jobs were last lost at Nanasivik mines and when did this happen? Some people are not well aware of it.

HON. PETER ERNERK: Mr. Chairman, I am not clear on the exact number but I believe there was something like 35 people. There were no Inuit people laid off at that time only the southern people were laid off as a result of the difficulties they faced. This was back in September, I take it. It was later in the year anyhow, in 1977. I am not aware of the exact month.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Mr. Nickerson is next on the list.

Fort Resolution Sawmill

MR. NICKERSON: Yes, Mr. Chairman. When we were discussing the budget in general I made a request for a detailed financial history of the Fort Resolution sawmill to be made available when we are discussing presumably the activity projects in this particular budget. I hope that the administration has not forgotten about that request. Secondly, Mr. Chairman, I wonder if I could be directed to which activity fisheries policy would be included in because I have a number of questions on fisheries policy and I wondered when would be the most opportune time to bring this up?

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

HON. PETER ERNERK: Mr. Chairman, I will have to take the first question of the Honourable Member from Yellowknife North as notice, on the Fort Resolution sawmill. The fisheries industry comes under project management or projects which is on page 12.05.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Mr. Nickerson, is there anything else you have? Mr. Pudluk.

Nanasivik Mines

MR. PUDLUK: Mr. Speaker, I would like to go a little farther, about the 37 people who were laid off from Nanasivik mine. Did I hear correctly that only the people from the South got laid off?

HON. PETER ERNERK: Yes.

MR. PUDLUK: That is not true.

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

HON. PETER ERNERK: Excuse me, Mr. Chairman, I did not understand the question.

THE CHAIRMAN (Mr. Lyall): The question was that do I understand, did he say that only southern people were laid off? If that is what you said, it is not true.

HON. PETER ERNERK: Mr. Chairman, I believe what I was getting at was that there were no Inuit laid off. Only southern people were laid off. Perhaps I should make that clearer by stating that perhaps those people who were on rotation basis were laid off. My understanding is that the permanent Inuit employees were not laid off. I know that some people from the Keewatin region who were employed at Nanasivik mines were laid off as a result of the difficulties. The information which we also received came from the federal mining board, the information concerning the people who were laid off.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Mr. Pudluk, would you like to pursue that?

MR. PUDLUK: Mr. Chairman, not at the moment.

THE CHAIRMAN (Mr. Lyall): Comments of a general nature on the Department of Economic Development and Tourism, page 12.01. Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, I would like some clarification from the Honourable Minister, who just referred to an organization known as the federal mining board. I have never heard of such an animal but perhaps he could explain exactly what this is.

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

HON. PETER ERNERK: My apologies, Mr. Chairman, it was the employment board that is from Ottawa, not the mining board.

THE CHAIRMAN (Mr. Lyall): Mr. Nickerson, Mr. Steen is on the board.

No Work In The Delta

MR. STEEN: Thank you, Mr. Chairman. My comments today are on this great land of little sticks, there is nothing else on this land except little sticks. I would like to start off and say that this year, speaking on the western Delta area is that trapping has been very poor this year, almost not even worth going out for, especially along the coast and that there was very little exploration pertaining to oil drilling or gas drilling. So, if it was not for the Northwest Territories Housing Corporation building so many houses in the Delta area I guess there would not be very much work left there at all this year. We can expect that the housing contracts or work will run out and there will be less and less houses because the need will be filled.

That leaves very little left for work for the people of the region. As we see, the oil companies are pulling out, Gulf Oil has stated that they are moving their rigs to the loading ramps to haul out this coming summer. Imperial Oil is almost non-existent any more in the Delta. I believe they have one or two wells that they intend to drill this winter. So it looks like a pretty bleak expectation for us for the next few years. Dome/Canmar operates in the summer, as everyone knows and I am a little bit afraid of losing that company from the area mainly because there is nothing too definite on just how long they are going to be drilling in the area with no pipeline to move the finds or to encourage further drilling. Drilling is out on the ocean and I am unable to see how they can bring this gas to the shore. I think it would be a long time before the government would approve any underwater gas lines to bring this gas ashore. I guess any business would like to see a return on its money and it will be almost impossible for them to obtain funding from their financiers in order to keep them drilling if they are not going to get the gas out.

Canmar's Icebreaker.

What makes me so concerned is that Canmar has already let contracts out to build this massive icebreaker that will be built on the east coast, along with the contracts let already to build large holding tanks in Nova Scotia or Newfoundland, some place over there, to hold Arctic gas. So it seems once they build this massive icebreaker and it is a real big one, I believe it is bigger than the one that the Russians went to the North Pole with, with theirs --

So, you see that they will be opening the way through the Northwest Passage where the LNG, liquefied natural gas tankers will have access coming in to the Delta to pick up or to load up from the finds that Canmar may find. The way I understand it, the tankers will contain their gas plants right on the barges themselves to liquefy the gas and thereby make it unnecessary to bring this gas ashore.

So, really, all we are going to see out of development is that from the exploration part, we will not be able to get anything out of the plant if it set up, I mean they could not set up plants along the shore or in the harbour of Tuktoyaktuk or wherever, near the Beaufort Sea. It seems to me that because of the environmental risks of ice scouring the bottom of the ocean that it will be too risky to bring the gas ashore to liquefy the same and thereby decreasing its chance of getting pipeline or spurline from the Dempster. So, I do not know just exactly how else we will be able to, if Canmar pulls out, how else we can keep our people employed.

Unions Coming Into The N.W.T.

Another thing that gives me a great concern is the unions that are threatening to come into the territories and thereby lessen the chance for the northern people to obtain jobs with the oil companies or with Canmar or whatever. They have indicated to us that they will take care of number one first if they came into the territories. I believe that we should be protecting the people who elected us by introducing legislation of some sort to protect the people who do not wish to join the union.

Once the union gets into the area we feel that they will have a list and the people of the North may not be the first on the list to be able to obtain jobs. They are going to take care of their own people and usually, I guess their hiring halls are in British Columbia and Quebec and all those ports outside of the Northwest Territories. Even if they had one in the territories it would still tend to be very difficult for native people to be able to get their work. I feel that we should be looking at, beginning to get people set up along the Dempster highway, Fort McPherson, and all the areas in the Delta there where people can begin to get prepared for the Dempster highway when it comes through. At the present time there is nothing, there is no one prepared to take on the influx of tourists, or whatever, mechanics or anything.

Another area where we should be thinking about is to connect the community of Tuktoyaktuk and Inuvik together so that we can get the tourists all the way down to the coast where, let us face it, Yellowknife lives off each other. I think we have to look at it that way in the Delta where you can have interlinked roads or intercommunity roads where the money will stay in the area longer.

THE CHAIRMAN (Mr. Lyall): Mr. Steen, House Rules say you speak for ten minutes, I have given you 30 seconds over the ten minutes so I think we should give somebody else a speak now. Anybody? Any comments of a general nature on Department of Economic Development and Tourism?

MR. STEEN: Have I been on more than ten minutes?

THE CHAIRMAN (Mr. Lyall): Yes you were. We gave you 30 seconds over the ten minutes.

MR. STEEN: I have only gone half way through my list.

THE CHAIRMAN (Mr. Lyall): Any comments of a general nature? Hon. Peter Ernerk.

Northerners Should Get Top Employment Priority

HON. PETER ERNERK: Mr. Chairman, very briefly, I fully realize the problems that are faced by the Honourable Member from Tuktoyaktuk. With regard to unions, of course this is one of the most complicated matters to deal with. I believe it was about a year ago when a motion was made by the Hon. David Searle to deal with the employment opportunities that could be made available to northern residents through, I believe the motion read something like, that a representation be made to some union in Vancouver. Whether it had something to do with, NTCL, Northern Transportation Company Limited I can not recall.

I believe this is something that the department and the administration considered clearly, extensively and carefully to make sure that when large companies operating in northern Canada or who propose to come to northern Canada, that they are aware of the needs and requirements of the local people, that they get first consideration, top priority for employment opportunities up here.

Highways and roads of course are the responsibility of the federal government. I would love to see Tuktoyaktuk and Inuvik linked together but when we talk about roads from one place to another at a great distance we have to worry about our federal government as to what their thinking might be. Within the department we have thought about having Inuvik as some kind of a service centre for the outlying communities in that region. Discussions are continuing with regard to that matter, hopefully at some point in the future we will be able to bring a paper before the Executive for their consideration as to what we might be able to come up with but in the meantime, I think we will have to be prepared to wait a little while longer.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Is there anybody else who would like to speak? Comments of a general nature, under the Rules, Mr. Steen, that sub-Rule 69(5), if you wish to speak again you may do so but after everybody else has a chance to speak. Are there any other people that would like to speak? If there is no one else, I guess Mr. Steen would like to speak, if you could go ahead. Do you want another ten minutes?

Education In The Mackenzie Delta

MR. STEEN: No, I will not be long with this one. I would like to speak a little bit on the education of the local people in the Mackenzie Delta. I find that there is a large, what you might call a hole, where there are no electricians, no plumbers, no refrigeration mechanics and a number of other job opportunities. The people that are doing it now are people from the South, and their staff is very limited so there is great need for that type of employment opportunities. The opportunities are there but no one has taken advantage of it.

We should also make funds available through the coming year to have the same kind of a program that is taking place in the Delta already but on a limited scale, by some students from the University of Toronto. They are there in the summertime and they are helping the local businessman make up his books, his records, start a new filing system or just helping out with the paperwork. I think the main reason most of our native businesses are failing is because of the problem that they are having with their books. Many of them do not even know how to make out receipts or deduct wages or deduct income tax from their cheques and that is compulsory and things like that, you know. I believe Imperial Oil has been contributing to the fund to help these students come in to help local business and Imperial Oil has indicated that they may not continue to fund the University of Toronto further. So therefore I think it is our responsibility to help there.

Coal Mines In Aklavik And Paulatuk

I feel also in view of the economic situation in the Delta that we should be looking at the coal mines in Aklavik and Paulatuk. This year we probably should make a feasibility study just to see how much coal is there, how cheap we can get it to the communities and so forth. I hope that the government will not come back and say that it is not feasible. Mr. Chairman, I will try to end it there. There are many more things I would like to say but I think I will end it there.

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

HON. PETER ERNERK: Mr. Chairman, I had a fair amount of discussion with Mr. Gordon Harris some time ago, in which he outlined the various difficulties that various business people were facing that the Honourable Member is mentioning to us. These include anything from lack of knowledge with regard to businesses, how to operate a business, to money management. I thought about it quite extensively and just a while ago I asked my officials to put together a piece of paper that would outline some of the difficulties which are faced by the people of Tuktoyaktuk and other areas when it comes to dealing with training various businessmen in money management, business and things of that nature.

I am now going to present a paper to the Executive this week to see whether or not we could get a term position in Tuktoyaktuk to deal with these types of problems that various businesses are facing. Hopefully I will be successful and if I am, we will get a term position in Tuktoyaktuk to do just the kind of things that you are mentioning, Mr. Steen.

Now, with regard to coal mining industry, we have not been able to do any kind of feasibility study, although it is in our minds. We have not forgotten about it, mainly due to certain difficulties. I was saying something, Mr. Chairman, I forget what; but anyway this type of coal mine industry study was done some time ago. However what the department will have to do in order to see if it could get some kind of a study going in Aklavik, I think you mentioned, Mr. Chairman, or at least Mr. Steen, what we will have to do now is to get in touch with the director of Northern Natural Resources and Environment Branch, Mr. Bob Hornal, and start some kind of discussions going with regard to the type of industry which you are speaking of. Once that is completed we should be in a better position to say exactly where we might wish to go or what that type of project might do in the future.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Are there any other comments of a general nature? Mr. Whitford is on the list.

Campgrounds In The Yellowknife Area

MR. WHITFORD: Mr. Chairman, I was going to speak about the Fort Resolution sawmill however I will wait for Mr. Nickerson's information.

The other two things that concern me is first of all the campgrounds, the present campgrounds that we have. I feel that they are not adequately looked after in terms of firewood. The area space, I saw for example at the Great Slave Lake campground where tourists who were coming into the area could not park their vehicles or campers properly and at the same time had no place to really park because of boulders and these kinds of things in the area. They had to move on to Yellowknife. The wood supply there has been very poor not just in that area but at Boundary Creek as well. There is no available supply of wood.

The other area that concerns me is that of Prosperous Lake. There are a lot of people using that lake at present and you come along to put your boat in the water and you can not get through the traffic because of the number of vehicles or trailers in that confined spot and so these areas have to somehow be expanded.

I think that to me it would be a very worthwhile thing for student's summer employment that this kind of work would be available to them so that they can work throughout the summer maintaining these facilities, building docks, these kind of things in that they have moneys to go back to school again in the fall.

Native People In Training Programs

The other point that concerns me is that of training, you go on to say training of native employees in programs. I think that is a wonderful thing, but if you recall the Minister, the Hon. Hugh Faulkner, had said, that they are going to in fact employ more native people with grade levels from grade seven and I believe it is ten. I think that there should be a serious look at employment of native people in respect that it sometimes gets very encouraging for a person going to school to say well gee, I might be offered a better job under a training program and so he leaves school to go to work for the government and finds that in a few years time he is probably disillusioned with that particular job. I think that the person that is 18, 19 or 20 years old should not be encouraged to go on a training program if he can help it but rather he should go back to school and complete his education or as much education as he can and then after that period of time take on a job. But rather have a serious look at putting a lot of the older native people who are capable of doing some of these jobs but can not go back to school, under a training program. Because of large families or things of that nature, going back to school would be virtually difficult to do.

I think that these kinds of things that I have expressed are becoming a concern in the North and the only way we are going to achieve a good number of senior positions in the North is by higher standards of education. So I would hope that the Minister will look at that as a very important item.

The other thing that I do hope is that in Economic Development more attention be paid to the local development of communities by encouraging them strongly to get into the running of tourist lodges. These kinds of things that would honestly bring moneys to the community or the surrounding area.

Incentive To Go Back To School

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Whitford. Just before I ask the Honourable Minister to speak on this, I am very sorry I did not see Mr. Whitford over at AVTC yesterday talking about getting these younger people to -- trying to encourage them to go back to school, but the people tell us over there that these young people do try to go back to work and when they find out that they can not hold on to a job then that gives them an incentive to go back to school. That does not occur with the older people in the settlements. I mean it is the person's own incentive if he wants to work. I think the older people, if they want to work there is an opportunity for them to go to work. I think that this is up to them and I do not think the Department of Economic Development has got anything to do with it whatsoever because of the fact that this is the only incentive. They should go out and get jobs if they are available but the people over at AVTC told us yesterday that young people do go out on jobs and if they find that they can not handle it they go. The dropout rate used to be 55 to 60 per cent; it is coming up to 28, 30, 32 per cent now so it is catching on. AVTC, much as it is put down by some Members of this House, is a program that is working very well. I think that any time that this House gets a chance to go over to Fort Smith, they should go and talk to the teachers at AVTC, Mr. Minister.

A Tourism Policy

HON. PETER ERNERK: Thank you very much, Mr. Chairman. I do understand the kind of points that Mr. Whitford has raised. One of the things that we are trying to implement right now is a tourism policy for the Northwest Territories, a tourism policy which I hope to bring back to the Executive by April of 1978 and we will talk about local involvement, native involvement. Now that in itself is very important when you talk about native employment, native involvement in development of the community. My philosophy has been that I agree with people who want to get the native people involved in any type of industry but if the native people are prepared to take on the responsibility, that is fair enough.

I agree that local native people in the communities should be more involved in the tourism industry. Within the past year and prior years we have been able to get the native people involved in various aspects of tourism itself. In the future we hope to see more native people involved in guiding tourists. As a matter of fact we are prepared to see that they get involved in managerial positions in tourism industry itself. That, in itself, seems to be a very important statement, however, I think what we have to do, what we must do now is to make sure that tourism itself is -- in other words, what I am trying to say, Mr. Chairman, that people become more aware of the tourism industry in the Northwest Territories. Now, having said that, hopefully some time in April, actually April the 1st, the department will be able to bring a paper that is acceptable to the Executive which will involve the kind of things that the Honourable Member is talking about.

Now, with regard to docks at Prosperous Lake, Prelude Lake, etc., we have been making certain attempts to improve the docking facilities there and we did. I believe there was an extension of the docking facility at Prelude Lake with the help of, I believe it was federal government, I am not sure now. I think that statement is correct.

One of the things we must be prepared to recognize is that more people in the Northwest Territories mainly in Yellowknife area are now using the kind of facilities we have, much more than they did before simply because there is more tourists coming into Yellowknife area in the summer or in the spring. We have to be able to look at the facts and look at our priorities.

With regard to lumber which Mr. Whitford was talking about, we do contract to certain individuals, and make a certain amount of lumber or cut wood available to various campgrounds in Yellowknife and Yellowknife area. Is that sufficient for Mr. Whitford?

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. The Chair recognizes the hour. We will break for coffee, 15 minutes.

---SHORT RECESS

THE CHAIRMAN (Mr. Lyall): The Chair recognizes a quorum. The Chair calls this meeting back to order. Before we go on to business of a general nature, we have an item of business that we should do right now. It is the wish of this House that we go to the item at hand. Mr. Nickerson.

MR. NICKERSON: Although, Mr. Chairman, I am somewhat critical of the Department of Economic Development I have one pleasant task at hand right at the very moment and it concerns one of the particular activities that they are doing an excellent job of. I think this is an appropriate time to bring it up and it concerns the accomplishments of the department in the field of the employment of local people, our own people from the Northwest Territories. Some of the accomplishments that have been made in the last few years, you just would not have thought possible five years ago. There has been many people involved in this. There has been obviously the Minister of the department and the director but I guess that one of the personalities who has done the most work in the field of employment is Mr. Jack Witty and possibly some of the people who work under him, such as Mr. Russell Look. In recognition of the work that these people have been doing, I wish to move the following motion, Mr. Chairman.

Motion Of Appreciation Of Mr. Jack Witty.

The motion reads as follows: I move that this committee recognizes and registers its appreciation of the work of Mr. Jack Witty in promoting the employment of territorial residents.

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

HON. DAVID SEARLE: Appreciating that seconders are not necessary in committee of the whole however I would be honoured to be associated with the motion and to appear as a seconder on record.

THE CHAIRMAN (Mr. Lyall): Is there anybody else who would like to speak to the motion? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, I would third the motion. However, that is not necessary. I take it if you are prepared to discuss employment in general in the Northwest Territories at some point in the future, I would seek the indulgence of this committee to ask Mr. Witty to appear before this Legislature.

THE CHAIRMAN (Mr. Lyall): Yes, Hon. Peter Ernerk, that was discussed already and we will be having him under employment training when the appropriate time comes. Is there any further discussion? Mr. Butters.

MR. BUTTERS: This is to the motion?

THE CHAIRMAN (Mr. Lyall): Yes sir, this is to the motion. Mr. Butters.

MR. BUTTERS: Mr. Chairman, to the motion I think that this is an excellent idea of the House to recognize the servants of this government who have contributed very valuably and responsibly in terms of their work for the government and for the people of the North. I think in Mr. Jack Witty's case, we have a man who during the Mackenzie Valley Pipeline Inquiry appeared before that inquiry and told Judge Berger exactly the way the situation was in the territories, and as I recollect, was treated very very shoddily in Volume One. His presentation, his facts and his data were depreciated and diminished by the good Judge Berger and I think this was not only unfortunate, but was reflected in the omissions that first report contained. So I think this is an ideal opportunity to recognize the valuable work and the important experience and knowledge that this man brings to our deliberations and to the Government of the Northwest Territories.

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

Authority Along With Responsibility

MR. FRASER: Mr. Chairman, to the motion, Mr. Witty as I know him, I have known him for quite a few years and he has done a lot of good as far as employment is concerned but I do not think he is given the proper power. He has the responsibility but he has not got the authority. I think a man of his knowledge should have the authority along with the responsibility. Like I said, I have known Mr. Jack Witty for quite a few years and I think that with a little bit of authority along with the responsibility he would go a long ways to employing northerners. I would not say natives, I will say northerners because we are all in the same boat. But I will go along with that motion 100 per cent.

THE CHAIRMAN (Mr. Lyall): Is there anybody else who would like to speak to the motion? Mr. Stewart.

MR. STEWART: Mr. Chairman, I have no objections at all to recognizing Mr. Witty but I am not sure whether we do not get the cart in front of the horse by recognizing a man for doing a job as directed by this House. I would be more in favour of firing those that do not do their jobs as directed by this House.

---Applause

Motion Of Appreciation Of Mr. Jack Witty, Carried

THE CHAIRMAN (Mr. Lyall): Is there anybody who would like to speak to the motion? Question is being called. Question, all in favour of the motion raise your hand. The motion passed unanimously by the people in the House.

---Carried

Special Presentation To Mr. Witty

I would like to ask Mr. Nickerson to escort Mr. Witty in here, we would like to make a little presentation to him.

THE CHAIRMAN (Mr. Lyall): Back to the business at hand the Department of Economic Development and Tourism, page 12.01. The first speaker, Mr. Fraser.

MR. FRASER: Mr. Chairman, I have a couple of items I think may be valuable to the House. First of all, we were talking about northern employment, the hiring of local employment and it is not the first time that it has been brought up. It is brought up in the House every time we sit.

Northern Employment For Constitutional Development

We have a new organization that just moved into the territories to set up constitutional development by the name of Hon. C.M. Drury. He brought in outside help with him when he came in, an executive secretary, maybe he knows her and how she could work. However, at that dinner meeting that we had with the Hon. C.M. Drury, I forget too, it was one of the Members who mentioned then that Mr. Fraser was a long-time resident in the North and if he needed any information that he could go to him. Right after the dinner meeting, his executive secretary came over to me, Mrs. Wendy Porteous and said, "Where can I get some northern employment?" So I told her where to go. We have employment offices set up in the Laing building. I told her who to see. However, we had an opportunity to have another dinner meeting with him about a week ago or ten days ago and she comes up with an office manager. I presume she is from Ottawa, I do not know where she is from but she is a native but not a northerner. I asked her how she could do that and she said, "Well, I did not know where to go", after asking me where to go and I told her where to go, then she hires this other woman.

Housing For Northern Employees

In the meantime, she said, "Well, I am sorry, I will go to this employment office and see if I can get some more help", she needs some more help. So, she went to see Mr. Tony Whitford who is the employment officer and he gave her a few names. I sent her a couple of northern girls to see what she had to offer and she said, "We can hire you, but we can not get you housing". Now, how could she get housing for the people from outside when she can not get housing for the people in the North? This has been going on for a long time and I think maybe we should catch it at the butt and find out just how Hon. C.M. Drury is operating and if he is going to hire northerners, he should hire northerners. He needs interpreters, he is going to all the settlements, he should be hiring people that speak the language. We have people that are graduating from the Adult Vocational Training Centre who are capable of handling these positions. Why should we have to import people from Ottawa to put in these positions when we have people in the North that are graduating? This concerns me quite a bit. I am not going to leave it at this. I just wanted to bring it up in the House but I am not leaving it at this. I want to push it a little further. I talked to the employment officer and he said that she never came to him until after the fact. She should have gone to him first rather than going after.

So, she might be local, she might be from Ottawa, I do not know where she is from, however, she can not talk the language and we have people that are graduating from AVTC who talk the language, who would be a benefit to him when he makes these rounds in certain areas. He should have an Eskimo, a Slavey and a Loucheaux on staff and when he goes to these settlements he has some support. Otherwise, he is going to have to hire them on a casual basis which I do not agree with either. If he is going to keep a person, he is going to have to keep her on staff.

Mining Coal At Fort Norman

Okay, that is so much for that. Now, another thing I would like to ask the Minister, when we are talking about economic development. Somebody mentioned here a while ago about a coal mine. We have a coal mine out of Fort Norman, about three miles, it has been burning since Alexander Mackenzie went down the river. I wonder if the Department of Economic Development have looked into the possibility of mining that coal mine. Of course, we have to go there every year to fight that fire and it is burning underground and they have done tests on it, they know how much is there. There is something that we could do for economic development.

Another thing, I would like to know from the Minister is what he plans to do for the Mackenzie Valley. I have met with the Chamber of Commerce, I have met with the councils all week end and they are concerned. We have had people from other settlements and they are concerned about what is going to happen in the Mackenzie Valley. Just what is going to happen; is everybody going to go on welfare? You can not live on promises forever. We are going to have to get some kind of employment in the Mackenzie Valley.

Now, what it all boils down to is that the federal government promised people in 1973, they made a promise that the pipeline would go through and not only private enterprise did it, but the government did too. They have built houses at Norman Wells, 12 single units, 14 duplexes and who is living in them? There is nobody to go in them. Who is paying for the costs of those houses? It is the taxpayer that has got to pay for the cost, they have got to heat them. They blame private enterprise for giving up with the pipeline, there is no pipeline. What is the Department of Economic Development going to do for the Mackenzie Valley?

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

HON. PETER ERNERK: Mr. Chairman, with regard to the first two points which Mr. Fraser raised, when he approached the Hon. C.M. Drury. I am somewhat

disappointed to hear that there would be no housing provided for an employee or an individual once he or she is hired to do a certain kind of a job for the Hon. C.M. Drury. The only thing, of course, I can say at this point is that the federal government has certain regulations and policies with regard to their employees when it comes to employing people, whether or not a local individual should be provided with their housing once he or she is hired. I suppose that would be up to the federal government's policy in terms of hiring people, whereas the territorial government has a policy where once you get into a permanent position with this government you are provided with housing along with the job. That is all I can say at this point.

Employment Opportunities And Responsibilities Of Department.

With regard to the employment opportunities in the Mackenzie Valley, I suppose what we would continue to do is to look at the kind of responsibilities we have within our own jurisdiction, that is to continue to carry out the projects or carry on with the projects, whatever they may be, sewing centres, or parka factories, or canvas factories, things of that nature. But, again I must stress the fact that we can not go beyond our own jurisdiction. I might also say that in our submission to the federal Minister of the Department of Indian Affairs and Northern Development some months ago in Priorities for the North, we suggested that a certain amount of federal-type or provincial-type responsibilities be made available to the territorial government. Once we get those provincial-type responsibilities, such as land use regulations, highways, things of that nature, we think, as a department and as an administration we could implement various secondary-type industries in the Mackenzie Delta as well as in other parts of the territories. That is one thing that I hope will happen within the not too distant future.

Looking at some points which were raised at the three employment options conferences, I take it that one of the industries which could be beneficial to the Delta region was tourism. I keep getting back to tourism because I think that is one of the things that we are going to have to face as one of the benefits to the local residents in the Northwest Territories whether it may be in the Delta or in the Eastern Arctic. I can not go much further than that just at the moment, Mr. Chairman.

THE CHAIRMAN (Mr. Lyall): Thank you, Hon. Peter Ernerk. Mr. Whitford is next on our list. Go ahead, Mr. Fraser.

MR. FRASER: I wanted to reply. First of all, Mr. Minister, you talk about government policy. What are we doing sitting here? We have a full House, all Members, and we let the federal government come in and use the policy that they have set down when we are talking about hiring northerners and they can do what they like. I mean we have a full Assembly here, maybe we could change some of their minds and furthermore you never answered my question. I asked you what do you plan to do in the Mackenzie Valley for employment? Do we have a meeting with Mr. Stewart? He has got ideas from all over the settlements, five different settlements. We got a report from him as to what the outcome of that meeting was. Do you intend to implement some of those suggestions that he got?

You are talking about tourism. Tourism down the Mackenzie Valley you might as well forget it because there is no such thing as tourism down in the Mackenzie Valley. We have to have something else, we have to have insurance that we are going to get employment or something done in the Mackenzie Valley.

THE CHAIRMAN (Mr. Lyall): Mr. Fraser, would you address your statements to the Chair, not directly to the person, please? Commissioner Hodgson.

THE COMMISSIONER: Mr. Chairman, commenting on Mr. Fraser's point, the conferences of which Mr. Fraser refers to were part of the in-depth research that went into the Minister's speech which he made three weeks ago at the opening of this House. When the Minister in November, after receiving the submission from this House, as a result of the vast problem that the Mackenzie in particular and the Arctic in general faced because of the moratorium as advocated by Mr. Justice Berger and others to development, everybody foresaw that it would only be a matter of six to eight months that the economy of the Mackenzie ground to a halt. The Minister reacted to the submissions and he toured parts of the territories and he came to the conclusion that the only way that we could approach this was on a systematic -- you can not say study but a systematic consultation with the communities and the people from the various communities and so what Mr. Fraser speaks of is only the first part of it. All of these things have been carefully noted and the Minister has announced his major conference which you have recommended I believe, be held at a place to be released one of these days and at that conference I would think that some specifics like Mr. Fraser says would be hammered out.

The problem is, as he points out that some of the machinery that is in our hands unfortunately are only for things like tourism. Essentially the non-renewable resources such as coal, oil, minerals, none of this is within our preserve to do anything with. The only non or renewable resource that we actually control is game and judging by the comments from everybody and their brother and sister across the country you would think that they all wanted a piece of the action. So it is difficult for Mr. Ernerk or his department to be able to reply to Mr. Fraser definitively at this particular time. I think that by the next session in May that they may very well be able to answer but as things stand right now, other than the Mackenzie-Liard highway, this is the only positive response and it is a very important response too, because \$40,000,000 will go a long way. But as to places like Fort Franklin, Fort Norman and Wrigley, we have not as yet worked out the answers to a lot of the questions that were raised by the people at the three meetings.

THE CHAIRMAN (Mr. Lyall): Thank you, Commissioner Hodgson. At the conference that the Commissioner is talking about, I think we made recommendations to him. I think this House would like to see the Commissioner make an announcement before the end of the session. The next person on my list is Mr. Whitford.

MR. WHITFORD: No, Mr. Chairman, I think the Commissioner has answered a lot of that now. Other than to say just for the record that I was born and raised in Fort Smith and I have been in and out of that AVTC building several times.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Whitford, I think we all knew that. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: I am sitting in the seat, Mr. Chairman, and I suppose I should be up and down quite often but that is not nice, he is not here.

Employment For Hon. C. M. Drury's Staff

Mr. Chairman, I would just like to make a comment as regards the establishment of the office of the special representative on constitutional development in the territories. As chairman of the committee of this House dealing with constitutional matters in the past I have been in contact on different occasions with the special representative, Hon. C. M. Drury, as well as with his executive assistant, I guess executive director is Mrs. Porteous' title. I

have received a communication from her of about a week ago asking for some input into filling various employment positions within that particular committee for Hon. C. M. Drury's staff and one of the things that Mrs. Porteous has indicated would be that as well as providing the personnel for analysis work of various aspects of the total process, she sees as well that the committee would have to develop some capacity for community communications and education processes and I think that is what the Member, Mr. Fraser, was referring to. I would pass this along to Members of the House for input in recommending people that the special representative and his executive director may employ during the time that they are involved in constitutional development in the Northwest Territories. We certainly have been, at least on my part, been in contact with her and there have been recommendations and I know not only individually but collectively from this administration as to the employment of northern people in the whole process. Mr. Chairman, I will be passing this letter I received just last week and will be passing it along to Members for their input and possible nominations of people that could serve in the process to which Hon. C. M. Drury has been assigned.

THE CHAIRMAN (Mr. Lyall): Is there anybody else who would like to speak? Comments of a general nature? Mr. Stewart.

Serious Economic Conditions In The Mackenzie Valley

MR. STEWART: Well, Mr. Chairman, just very very briefly, I have just been advised on my recent trip home, to indicate the seriousness of the economic conditions in Hay River, that the high rise apartment building, 57 suite apartment building, has gone bankrupt and is in the process of being returned and taken over by the Central Mortgage and Housing Corporation. This is just the beginning of the collapse of a town such as Hay River, just in the development stage. I do not think that I can overimpress upon fellow Members the seriousness of the economic conditions in the Mackenzie Valley.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Stewart. Is there any other person would like to make a comment of a general nature? If not, what is the wish of -- Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, I am fully aware of the economic difficulties that are now facing the people in the Northwest Territories. The employment option conferences that were held in the three Delta communities, as I look at them, were very important ones. They, to a large extent, provide different kinds of ideas to the administration and to the Department of Economic Development and to other departments within the Government of the Northwest Territories.

I am pleased to announce at this point that I will also be having an economic development conference in Rankin Inlet some time in the spring, preferably the first week of May or during the month of May. This also will be an opportunity for people in that region to see what kind of economic development opportunities could be provided for the people in the Keewatin region. As well we have asked or I have asked my officials to see if some Members from the Baffin region could also be invited to attend to this conference when it gets going in the spring.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Minister. Mr. Fraser.

MR. FRASER: Mr. Chairman, I would like to say one thing. Hon. Peter Ernerk has been in the position as the Minister of Economic Development now for some time and I would like to know how many trips he has made down the Mackenzie Valley to the settlements that are concerned with economic development. He talks about tourism. I can not see tourism in the Mackenzie Valley. We have to get something stable going and he as the Minister of Economic Development should be looking into the communities and find out for himself just what

there is potentially for employment or any type of industry that should be going on in the Mackenzie Valley. I have not seen him visiting any of these settlements. Yes, he sent a representative down there from the Department of Economic Development but I think he is the one that should go down and find out from the people himself.

THE CHAIRMAN (Mr. Lyall): Mr. Minister, do you want to respond to that or would you like to get some details first before you respond?

HON. PETER ERNERK: Yes, Mr. Chairman. With regard to the invitation that I received from Mr. Fraser to visit some of the communities in the Delta, I will make a note of that and I will have to see how time goes in the next couple of months.

MR. FRASER: I asked a question.

THE CHAIRMAN (Mr. Lyall): Mr. Fraser, I think he will take that and get the figures for you tomorrow or whenever. At the same time he will get together with you to try to see what time is appropriate for you to meet.

MR. FRASER: Thank you, Mr. Minister.

THE CHAIRMAN (Mr. Lyall): Are there any more comments of a general nature? We are under the Department of Economic Development and Tourism.

SOME HON. MEMBERS: Agreed.

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

MR. STEEN: Mr. Chairman, I would like to introduce a motion here and see if the administration will accept it. Can I read the motion, Mr. Chairman?

THE CHAIRMAN (Mr. Lyall): Go ahead, Mr. Steen.

Motion That The Administration Conduct A Study On Coal Deposits In N.W.T.

MR. STEEN: The motion is: I move that the administration conduct a study on coal deposits in the Northwest Territories and prepare a report to be brought before this House in May of this year.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Steen. Could I get a copy of that motion, please? Also I wonder if Economic Development is prepared at this time to go out and get one report back before springtime? Is it possible to dig under the snow and find out what is underneath there. The motion reads: I move that the administration conduct a study on coal deposits in the Northwest Territories and prepare a report to be brought before this House in May of this year. To the motion, please, Mr. Fraser.

MR. FRASER: Mr. Chairman, on your remarks about the Economic Development going digging under the snow, you can not go in the summer, you have got to go in the winter to do any test work because you can not get around to these areas in the summer. You have to go when the frost is on the ground. I support the motion. They raise potential coal mines and I think if Economic Development would check with the land use office they will find that there was a permit issued on the Fort Norman coal deposit to drill 100 holes. I am not sure whether they drilled their 100 holes but I know that they had a permit to go in and do some test work in the Fort Norman region.

There is coal there. How much, I do not know. There was an outfit that was interested in it and maybe you could find out from them just how much coal there is there. If you would go to the land use office and find out who had the permit maybe you can come back with the information without doing any

digging in the snow or any drilling.

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

HON. PETER ERNERK: Mr. Chairman, I am not sure whether or not we could drill underneath the snow at this point in time or whether we will have to use shovels or something like that. But I understand the motion and what I will do after it is passed is to get in touch with Mr. Hornal's department to find out whether or not there has been any study. I was somewhat made to understand there has been some kind of a study done at Great Bear Lake, which is north of here. If there has been such a study, what we will do is to try and obtain a copy of it and use that as kind of a tool or leverage or whatever and hopefully we will be able to come up with some kind of a study paper, or paper prepared some time in May of this year.

THE CHAIRMAN (Mr. Lyall): Thank you, Hon. Peter Ernerk. Mr. Butters.

MR. BUTTERS: Mr. Chairman, I can support the motion if it does not tie the administration down to the timeframe. I would agree that there is a possibility that this information exists in Mr. Hornal's office and that all the potential coal sites in the territories have been examined and charted and the grade of coal ascertained. So possibly the report can even be given to us before the end of the week. But one other thing, if you are going to be getting that type of report I would like to see some comparison on the cost of say 100 B.T.U.'s for using that coal, or 1000 B.T.U.'s for using that coal deposit because my information is that currently the petroleum resources that are supplied from the Norman Wells field are probably the cheapest source of fuel in the North and South American continent today. We are getting from that field very very cheap fuel, even though the price has gone up markedly in the last two years, so I would like to see a comparison between the energy costs for the two types of fuels if you are going to look at coal resources.

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

Coal Deposits In N.W.T.

MR. NICKERSON: Yes, Mr. Chairman, I would like to support this motion and Mr. Steen has brought it to our attention on numerous occasions that there are mines which once operated in the Paulatuk area, operated fairly successfully. Mr. Fraser makes us aware of the existence of coal in his particular constituency. I understand that there are substantial coal deposits in the Arctic islands and also other areas of the Northwest Territories.

Now, it is quite true, as has been said this afternoon that non-renewable resources are really in the field of jurisdiction of the federal government. This is true but what we are asking for in this particular instance is something proper to ask our department. We are not asking for how do we go about disposing of coal lands, crown coal. We are not asking that. I guess that lies strictly within the federal jurisdiction. What we are asking for is information as to how small local coal mines can be operated for the benefit of the people who live in the immediate area. Now, a lot of the technical information is available. In fact, probably one of the best reports that I know of on coal in the Northwest Territories was done by the Government of Alberta and there they show the known and potential coal bearing areas of the Northwest Territories. A lot of the information is sketchy because in order to sample coal deposits you would have to do it away from the weathered outcrop and this has not been done in many places. But a lot of this type of information, the location and the potential quality is available but I do not think that that is really what we are looking for. We want to know whether or not it does make sense for small coal mines to be operated in places like Paulatuk.

I have had some experience with the operation of small coal mines and I know that there are difficulties attached to it but I have seen a number that have operated profitably and successfully and I can not see why the same could not be done in the Northwest Territories. So I would very much like to support this motion and think that a lot of the work should be done by our department. It is no use turning it over to the Department of Indian Affairs and Northern Development because their outlook on the matter is different. They will be looking at multi-million ton a year propositions for power development for export, that type of thing. That is not really what we are after. We are after what Mr. Steen and Mr. Fraser want, to develop a small local industry which will definitely benefit the people of the Northwest Territories.

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

MR. STEEN: Briefly, Mr. Chairman, is that pertaining to what you said about digging under the snow? What I wanted to say is that most communities know where the deposits are if it is near their community and that in a place like Aklavik they have done a wonderful job there determining how much gravel is in the area by drilling and similarly with the coal, also, by drilling to see how big a deposit is and how much is there, along with what Mr. Nickerson said and Mr. Tom Butters, as to the comparison with B.T.U.'s and how it can be used in the community, price wise, and so forth.

THE CHAIRMAN (Mr. Lyall): To the motion, please, Deputy Commissioner Parker.

Benefits Of Coal Production

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would just like to say that as a result of the special and extra work that we have been doing in the last few months on the matter of an economic review for the Mackenzie area in particular, we have turned our attention to the matter of coal production and particularly

coal production that could benefit the communities. We discussed this matter at the Inuvik conference and probably others. We have already served notice on the Minister and officials in his department that we, as a territorial government, have a particular interest in this area. I certainly welcome the direction that we are being given here as I know the Minister will welcome it. I think there is only a certain amount of what has been requested that can be achieved by May but at least we can make a good start on it.

One of the things that has to be borne in mind in the use of coal by residents in their homes is that until we achieve a higher level of home ownership where the individual is actually paying for his own fuel, it is not going to be that easy to get people to swing away from heating oil.

At the present time under the various rental programs the utilities are included, that is the heat and light are included with the rent. Now that is something that the Housing Corporation is trying to change and that is something that this House has given us direction on, that we should aim toward home ownership but I think it has to be looked at realistically, that until such time as we are able to achieve a higher level of home ownership there will not be that much interest among individuals in digging coal for themselves or using coal. Personally I am very very much in favour of the project and I think that in the years to come it must take place, that we will utilize these coal resources that we have.

THE CHAIRMAN (Mr. Lyall): Thank you very much, Deputy Commissioner Parker, although you have swayed away from the motion. The motion reads: I move that the administration conduct a study on coal deposits in the Northwest Territories and prepare a report to be brought to this House in May of this year. Mr. Stewart, to the motion, please.

MR. STEWART: Mr. Chairman, I will try not to wander and answer in part Deputy Commissioner Parker's position. But, relative, I support the motion but to take Alberta for example, probably a very large percentage of their electricity is generated by coal. I can see this being a great advantage to the Northwest Territories if we have coal deposits located in areas close enough to settlements rather than looking at the high costs of hydro expansion, that coal driven electric plants would certainly be a lot cheaper than running them by diesel fuel as we are doing at the present time. So I would certainly support Mr. Steen's motion.

THE CHAIRMAN (Mr. Lyall): To the motion, is there anyone else who would like to speak to the motion? Question?

SOME HON. MEMBERS: Question.

Motion That The Administration Conduct A Study On Coal Deposits In N.W.T.,
Carried

THE CHAIRMAN (Mr. Lyall): Question to the motion. I move that the administration conduct a study on coal deposits in the Northwest Territories and prepare a report to be brought before this House in May of this year. All in favour raise their hands. I noticed that we have eight for the motion. Contrary? No contrary. Motion is carried.

---Carried

THE CHAIRMAN (Mr. Lyall): Would you like to go to detail of grants on page 12.08? Mr. Fraser.

MR. FRASER: Mr. Chairman, while we are still dealing with the Department of Economic Development and Tourism, on page 12.01 I have a message here from the Chamber of Commerce, if I could read it into the record, Mr. Chairman.

THE CHAIRMAN (Mr. Lyall): Mr. Fraser, if it is very long, maybe you could, when we get back to...

MR. FRASER: ...it is just a short message, Mr. Chairman, but I would like to read it into the record if I could.

THE CHAIRMAN (Mr. Lyall): Okay, agreed.

Message From Norman Wells Chamber Of Commerce

MR. FRASER: The message came in today, February the 3rd, from Norman Wells and district Chamber of Commerce: In todays discussion of the Legislative Assembly on the Department of Economic Development, I hope you will be sure to stress the desperate situation we are facing in the central Mackenzie. After being sold down the river what can we expect from the federal government in the way of business and job creation? Is this going to become a welfare state? If so, what welfare would be offered to the hard hit long-term businesses. Due to the incompetence on the part of the federal government and other bodies, the Northwest Territories is now faced with complete bankruptcy. What will be done for the business people who have built this country over the past 15 years? That is signed by Mrs. Georgie Monuik president of the Norman Wells Chamber of Commerce. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Fraser. Mr. Evaluarjuk.

MR. EVALUARJUK: That will be on channel one, if anybody is interested. Mr. Chairman, in my constituency I never heard from any province concerning economics in Foxe Basin and so I do not have anything to bring up to the Department of Economic Development right now since there is no problem in my area. But I see one problem like the sealskin prices are really low and also the soapstone carvings. In the summer of 1977, the people from Economic Development brought in some soapstone to Clyde River, Igloolik, Pond Inlet and Hall Beach. Their problem there is that the sealskin sales are really low and soapstone is given to the co-ops by the Department of Economic Development and then the co-ops probably owe \$20,000, probably close to that to the Department of Economic Development. They owe them \$20,000 or close to that, and another problem there is that if I am going to carve, I have got to buy stone first and it is 50 cents a pound, and if I buy it for 50 cents a pound and I carve, a lot of the soapstone is no good. A lot of them crack so that the person who buys the soapstone just loses money on that soapstone when he buys it. So how is there any possibilities of improving the situation because I do not want to lose the Inuit way of carving and I do not want to lose that part? Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Lyall): Thank you, Mr. Evaluarjuk. Soapstone only costs ten cents a pound but you have to pay the freight over there. Are there any comments you would like to make Mr. Minister? On channel one again.

A Better Quality Of Soapstone

HON. PETER ERNERK: I do not really understand what Mr. Evaluarjuk stated a little while ago. What he seemed to try to say was the fact that some of the carvings are not worthwhile keeping because they break easily, especially the ones bought through Economic Development. Therefore, if that is the situation we will look into this particular problem this coming year. I mean, the soapstone, we will look into the soapstones because in the past they have used dynamite to excavate the soapstone. So we will try to get a better quality soapstones this coming year.

MR. EVALUARJUK: Mr. Chairman, I was not aware of the fact that they were excavating soapstone using dynamite. How has Economic Development assisted us in getting some soapstones? What I was stating was the fact that a carver has to pay for some soapstones and if the soapstone he just purchased and is carving breaks away, I mean if it just breaks it might be a better solution to be given the soapstone and then once they finish the soapstone, once they finish carving the soapstone then they should be getting some money rather than having to pay for the soapstone.

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

People In Foxe Basin Not On Social Assistance

MR. STEWART: Mr. Chairman, an interesting point brought up by my colleague from Foxe Basin. I wonder, Mr. Chairman, if you could find out for me the percentage of the people in Foxe Basin that are on social assistance or part social assistance. He indicates that there is no problem relative to jobs and so on that the economic conditions in Foxe Basin are good. I would like to have a check on a percentage of the number of those people then that are receiving social assistance in part or in whole, to tell us their secret.

THE CHAIRMAN (Mr. Lyall): Mr. Evaluarjuk, could you do that for us?

MR. EVALUARJUK: Mr. Chairman, I am sorry, I was on to the social worker and I know for a fact that some people that are quite capable of looking after themselves are not usually on welfare. However, if you are completely disabled, then they will get some assistance from the social assistance. However, I can not really indicate to you exactly how many people are on welfare.

THE CHAIRMAN (Mr. Lyall): Mr. Evaluarjuk, I think you made the statement that you have no economic problems over there. I think what Mr. Stewart really wants to know is how you do that and give us a formula so that we could do the same thing for the rest of the communities in the Northwest Territories.

MR. EVALUARJUK: Mr. Speaker, I misunderstood what you have stated, Mr. Chairman.

THE CHAIRMAN (Mr. Lyall): You people have to be congratulated if you do not have any economic depression over there. So what he wants is an answer from you how you do it, so that we could give that formula to the rest of the communities in the Northwest Territories.

MR. EVALUARJUK: Mr. Chairman, I think I now understand your remarks. I have stated earlier that the residents have not really ever told me that they have any problems in Economic Development. As you may be aware, there is some Economic Development workers in Frobisher Bay and I am sure that they are quite capable or willing to help the people who are requesting some assistance from Economic Development.

Affected By No Pipeline

THE CHAIRMAN (Mr. Lyall): Mr. Stewart, I think you and the Member from Foxe Basin should get together and give or tell what economic disaster we are having here -- what we really mean by that. I kind of got the feeling that the explanation is not all there. Maybe you could get together and he could give you a formula of how they are doing it over there. There are hardly any jobs in the whole of the Northwest Territories. If you have not got any economic depression over there I think you and he should get together, you and Mr. Butters are most affected on the decision of the pipeline.

Are there any more comments of a general nature on Economic Development and Tourism? If there are no more comments I would like to, before we recognize the clock, I would like to ask Hon. Peter Ernerk if he would like to go on to detail of grants and contributions, because of the fact that we will be starting right into summaries if we start, keep on going from right here.

HON. PETER ERNERK: Mr. Chairman, I really am open to any suggestions. Whether or not you wish to go on to the detail of grants. However, I was going to recognize the clock.

THE CHAIRMAN (Mr. Lyall): Hon. Peter Ernerk, I think if we go through from where we started, we will be going through them all over again. If we go into detail of grants and contributions, I think that we should start the detail of grants and contributions.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Lyall): The Chair recognizes the clock and would like to report progress.

MR. SPEAKER: Thank you. Mr. Lyall.

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

MR. LYALL: Mr. Chairman, your committee has been discussing Bill 11-64 and now it is time to report progress. Also, Mr. Chairman, while we are discussing Bill 11-64, there was one motion made and the motion read that: I move that the administration conduct a study on coal deposits in the Northwest Territories and prepare a report to be brought before this House in May of this year and that motion, Mr. Speaker, was carried.

Also, Mr. Chairman, I forgot one motion that was made. I have not got a copy of it here but that was a motion made by Mr. Nickerson. Would you like to get the motion and I will read it, sir? Mr. Speaker, that motion was made by Mr. Nickerson: I move that this committee recognizes and registers its appreciation of the work of Mr. Jack Witty in promoting the employment of the territorial residents and that motion was also carried.

MR. SPEAKER: Announcements, Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, or Mr. Speaker, pardon me, I just would like to announce a caucus meeting at 9:30 o'clock tomorrow morning, sixth floor of the Laing building.

MR. SPEAKER: Any further announcements? Mr. Stewart.

MR. STEWART: Point of order, Mr. Speaker. It was my understanding that Monday morning was to be left clear of all meetings. I understand that the committee met this morning. I wonder whether or not my information was wrong. I understood that Monday morning was a clear morning and that there were to be no meetings.

MR. SPEAKER: That would be an ideal point to raise in caucus tomorrow morning. Mr. Lyall.

MR. LYALL: That is the way I understand it also, that there were no meetings to be held on Monday mornings. That was my understanding.

MR. SPEAKER: Well, I do not think there are any formal rules on it, gentlemen. I think that is sort of an understanding that we may or we may not have had but certainly tomorrow morning would be the appropriate time to discuss it.

May I take this opportunity of recognizing the distinguished jurist, Magistrate Slaven, our ex-legal advisor. He is obviously a very distinguished roaster. Orders of the day, Mr. Clerk.

ITEM NO. 11: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day, February 7, 1978, 1:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Questions and Returns
3. Oral Questions
4. Petitions
5. Reports of Standing and Special Committees
6. Notices of Motion
7. Motions for the Production of Papers
8. Motions
9. Tabling of Documents
10. First Reading of Bills: Bill 12-64
11. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 8-64, 7-64 and 11-64, Report of the Standing Committee on Finance, Motion 9-64, Motion 12-64, Recommendation to the Legislature 1-64
12. Orders of the Day

MR. SPEAKER: This House stands adjourned until 1:00 o'clock p.m., February 7, 1978, at the Explorer Hotel.

---ADJOURNMENT

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