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**DEBATES**

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, MAY 10, 1978

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Item 2, replies to the Commissioner's Address.

In respect to this particular item, gentlemen, I would point out that as today is Wednesday it would appear on the order paper tomorrow and Friday. In other words, you have including today three days left for replies. Are there any replies? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, the Member from Yellowknife North raised a question yesterday in the House regarding a taxation study.

MR. SPEAKER: Hon. Arnold McCallum, these are replies, not returns.

HON. ARNOLD McCALLUM: I am sorry. I thought we were at replies to questions. Mea culpa, mea culpa.

MR. SPEAKER: That is all right, you had a lot of company yesterday in the form of the Chair. Are there any replies, gentlemen?

Item 3, questions and returns.

ITEM NO. 3: QUESTIONS AND RETURNS

Are there any returns? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, Mr. Nickerson asked Question W4-65 regarding the administration's intention to present a discussion paper on municipal financing and taxation to this House. I replied that I think we anticipate bringing a paper to the House but I was not sure as to the particular date, whether it would be this session or not. In view of the fact Mr. Nickerson is not here may I wait until he returns and either give it later in the day or, if he is not here this afternoon, tomorrow?

MR. SPEAKER: Why do you not just, since you are halfway there, give the return and we will make sure he gets a copy of it?

Return To Question W4-65: Municipal Finance And Taxation

HON. ARNOLD McCALLUM: Thank you, Mr. Speaker. I have the following reply to Mr. Nickerson's question then, Mr. Speaker. It is the administration's intention to present a discussion paper on taxation to the fall session of the Legislative Assembly. Unfortunately at the present time we do not expect that we will be able to present it during this session, it may well be into the fall session before we are prepared to bring forth this paper. The study will be far reaching in scope and will include some, if not all, of the following aspects: One, a review of alternatives suggested by consultants and those in place in other jurisdictions; two, recommendations for broadening public participation;

three, assessing incentives for communities to become taxed; four, assessing incentives for increasing community responsibility; five, recommend implementation, timing and priorities for extending taxation under the Taxation Ordinance; six, other areas identified as study progresses.

MR. SPEAKER: Thank you, Hon. Arnold McCallum. Are there any further returns? Any written questions? Mr. Nickerson.

Question W6-65: Congestion Of Vehicle Licensing Office

MR. NICKERSON: Mr. Speaker, what plans do the administration have for reducing congestion at the vehicle licensing office in Yellowknife next March?

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W6-65: Congestion Of Vehicle Licensing Office

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I am confident that the administration will once again press, beg and ask the people of Yellowknife to buy their licences early as they did this year and perhaps greater advertising will be in order. In any event the licences will be on sale early and we will urge people to take advantage of that. As we did this year, we may be in the position of having to extend the hours and certainly we will be placing additional staff on duty for that period.

MR. SPEAKER: Further questions? Mr. Lyall.

Question W7-65: Vehicle For Social Development In Cambridge Bay

MR. LYALL: Mr. Speaker, I would like to ask the Minister of Social Development what, if any, progress has been made towards getting a vehicle on this summers barge for Social Development in Cambridge Bay as he knows very well the condition of the present vehicle that is there.

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: I will take the question as notice and file a reply.

MR. SPEAKER: Are there any further questions, gentlemen? Mr. Whitford.

Question W8-65: Motel And Bathhouse, Lac La Martre

MR. WHITFORD: Mr. Speaker, I would like to know if Economic Development is planning a STEP program in Lac La Martre to make work for the people there and to finish the motel and bathhouse there.

MR. SPEAKER: Hon. Peter Ernerk.

HON. PETER ERNERK: I shall notify the Honourable Member before the end of the week.

MR. SPEAKER: Any further questions? Mr. Nickerson.

Question W9-65: Transportation System Study

MR. NICKERSON: In the Hon. Hugh Faulkner's address to this Assembly in January, 1978, he stated that he would be undertaking a study of transportation systems for the mineral rich area east of Great Bear Lake. Is there any news to report on this subject?

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I will seek the information for the Member and provide a reply before the conclusion of this session.

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

Question W10-65: House For Settlement Manager, Lac La Martre

MR. WHITFORD: Mr. Speaker, I would like to know if the administration is going to build the house in Lac La Martre sent in on the winter road or build a log house for the settlement manager.

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W10-65: House For Settlement Manager, Lac La Martre

DEPUTY COMMISSIONER PARKER: Mr. Speaker, the settlement manager personally approached me last week and advised that he was most desirous of having the housing package that is now located in Lac La Martre built for him and that he had no desire to build his own home. Therefore unless we receive information to the contrary we will proceed with the construction of this house as a normal staff house.

MR. SPEAKER: Are there any further questions? Mr. Nickerson.

MR. NICKERSON: May I ask an additional question?

MR. SPEAKER: It is notices of motion that are limited to two. I do not think the Rule applies here.

Question W11-65: Caribou Bones, Dog Food

MR. NICKERSON: Why will the game department not allow caribou bones to be fed to dogs in Yellowknife?

MR. SPEAKER: Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Speaker, I will take the question as notice and file a reply before the close of the session.

MR. SPEAKER: Further questions?

Item 4, oral questions.

Item 5, petitions. Mr. Lyall.

ITEM NO. 5: PETITIONS

Petition 1-65: Television And Radio For Pelly Bay

MR. LYALL: Mr. Speaker, I would like to table a petition which was given to me by the people of Pelly Bay. The people in Pelly Bay want radio and television.

MR. SPEAKER: Any further petitions?

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

ITEM NO. 6: REPORTS OF STANDING AND SPECIAL COMMITTEES

Report Of Standing Committee On Legislation

MR. LYALL: Mr. Speaker, the standing committee on legislation met on April 27 to review the bills being introduced at this session. I would like to table a document and I will follow up on anything that may come up later on.

MR. SPEAKER: Mr. Lyall, when we get to Item 11 you can table the document at that time.

Item 7, notices of motion for first reading of bills. It was indicated yesterday that Bill 18-65 would be ready today but apparently it is not ready yet, so we will stand that item down.

Item 8, notices of motion.

ITEM NO. 8: NOTICES OF MOTION

Are there any notices of motion? Hon. Arnold McCallum.

Notice Of Motion 2-65: Appointments To Workers' Compensation Board

HON. ARNOLD McCALLUM: Mr. Speaker, I give notice that on Thursday, May 11th, I will introduce the following motions:

WHEREAS three vacancies will shortly exist in the membership of the Workers' Compensation Board;

NOW THEREFORE, I move that this Assembly recommend to the Commissioner that the following persons be appointed to the Workers' Compensation Board for terms of two years each: Mr. John Kachmar, Mr. Dale Johnson and Mr. William Berezowski.

Notice Of Motion 3-65: Appointment To N.W.T. Water Board

WHEREAS a vacancy exists in the membership of the Northwest Territories Water Board;

NOW THEREFORE, I move that this Assembly request the Commissioner to convey to the Minister of Indian and Northern Affairs its recommendation that Mr. Darcy Edward Arden be appointed to fill that vacancy.

MR. SPEAKER: Thank you, Hon. Arnold McCallum. Further notices of motion. Mr. Nickerson.

Notice Of Motion 4-65: Marketing Of Freshwater Fish

MR. NICKERSON: Mr. Speaker, I give notice that on the 11th of May I will introduce the following motion:

NOW THEREFORE, I move, seconded by the Honourable Member for Hay River, that at a suitable time to be set by the Speaker, this House resolve itself into committee of the whole to study problems related to the marketing of freshwater fish.

MR. SPEAKER: Further notices of motion? Mr. Lyall.

Notice Of Motion 5-65: Banning Of Organized Hunts

MR. LYALL: Mr. Speaker, I give notice that on May 11th I will introduce the following motion:

WHEREAS organized hunts tend to result in the killing of about twice as many animals as are required;

AND WHEREAS the peoples of the North are considering moving back onto the land;

AND WHEREAS organized hunts are the main cause of the depletion of animals;

NOW THEREFORE, I move that this Assembly strongly request the administration to immediately discontinue funding organized hunts.



MR. SPEAKER: Item 9, motions for the production of papers.

Item 10, motions. Do you want to go back to Item 9, Mr. Nickerson?

MR. NICKERSON: No.

ITEM NO. 10: MOTIONS.

MR. SPEAKER: Are there any motions, Mr. Clerk? Motion 1-65, Mr. Nickerson.

Motion 1-65: Earth Receiver Stations.

MR. NICKERSON: Mr. Speaker:

WHEREAS Telesat Canada has a monopoly on the ownership of earth receiver stations which are essential for the reception of satellite television in the remote areas of the Northwest Territories;

AND WHEREAS the public interest may not be best served by such an arrangement;

NOW THEREFORE, I move that this House conveys to the Minister of Communications in the federal government its opinion that private ownership of earth receiver stations should be made possible within the Northwest Territories.

MR. SPEAKER: Moved by Mr. Nickerson. Is there a seconder? Mr. Lyall. Discussion? Mr. Nickerson.

MR. NICKERSON: It is my understanding, Mr. Speaker, that the Minister of Communications is at this very time looking into the problems being caused by the monopoly of Telesat Canada, which I believe is a crown corporation on earth receiver stations. The problem is particularly acute in the Northwest Territories. We have a policy of getting television into communities having a population in excess of 250 people, but there are many smaller communities in the territories which are semi-permanent communities, camps and that type of thing, who would like to have television. The arrangement that Telesat Canada offers at the present time and I might be misquoting a few of the figures, but it is roughly a charge of \$25,000 installation fee for the frontier-type earth receiver station, that is the small one. Then they charge a fee of \$14,000 per year. There is very little cost of operation of these things and if private ownership is allowed, a company or a small municipality might be able to install one of these things at \$25,000 and be faced with little or no additional continuing costs.

For instance, a community of 50 persons, that additional \$14,000 a year would work out to \$280 per capita. It is quite an expense that is being imposed on people at the present time. We are not asking for any government funding. We are not asking for the taxpayers to put money into television stations for communities with a population with less than 250 people. All we are asking by way of this motion is to allow private enterprise and municipalities to compete on a fair basis with Telesat Canada.

MR. SPEAKER: Further discussion. Hon. Tom Butters.

Television Station In Tuktoyaktuk.

HON. TOM BUTTERS: Mr. Speaker, I support the thrust of the motion if the first "whereas" clause is indeed true. I regret that Mr. Steen is not present at the moment, but the Tuktoyaktuk community did develop in the territories what we might call "bootleg television". They did this with the assistance of officials of CRTC, Canadian Radio-Television and Telecommunications Commission, who were very helpful in permitting them to procure licences to

set up that station. The station that the community of Tuktoyaktuk purchased was, as Mr. Nickerson suggested, in the neighbourhood of \$25,000. It was one of the type that was developed by Mr. Al Kulan of the Yukon who, I believe, brought that type of service into the North for Mayo where he developed it as a Christmas present to give to his wife. I do not know now whether the station that was developed in Tuktoyaktuk was, in fact, operating illegally, or outside of the monopoly of Telesat Canada. I would hope that that is not correct. I would hope they do not have a monopoly, but if they do, I fully support the motion that has been put forward.

MR. SPEAKER: Further discussion? Do you wish to wind up then, Mr. Nickerson?

MR. NICKERSON: Just very briefly, Mr. Speaker. Although I can not be absolutely certain, the bootleg television set-up in Tuktoyaktuk as I understand it was to pick up transmissions not directly from the satellite but pick them up from the station in Inuvik and retransmit them to Tuktoyaktuk and I can not swear to it that that is the case but that is my understanding.

I think that the Department of Communications either now or eventually will have to allow competition with Telesat on earth receiving stations. It is more or less inevitable in the long run because the technique involved in manufacturing these things, I am given to understand, is not particularly difficult and they are getting smaller and smaller all the time. Eventually you will have something not much larger than an ordinary television antenna and then it would be impossible to police this monopoly. I would just like to give them a nudge in that direction.

Motion 1-65, Carried

MR. SPEAKER: Question. On the motion. The question being called.

SOME HON. MEMBERS: Question.

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

---Carried

Item 11, tabling of documents. Mr. Lyall.

ITEM NO. 11: TABLING OF DOCUMENTS

MR. LYALL: Mr. Speaker, I would like to table a document:

Tabled Document 9-65, Report of Standing Committee on Legislation Concerning Certain Bills to be Introduced at the 65th Session of Council.

MR. SPEAKER: Thank you. Any other documents to be tabled?

Item 12, introduction of bills for first reading. Bill 11-65, Petroleum Products Tax Ordinance. Hon. Tom Butters. First reading of Bill 11-65, Hon. Tom Butters.

HON. TOM BUTTERS: I regret, Mr. Speaker, that I will have to defer that as the item is not yet in our books, and I can not give you the date when it would be ready either, sir.

MR. SPEAKER: I am sorry, I have two orders of the day, one showing it on and one handed me showing it off and I was looking at the wrong one. There is nothing under Item 12. Bill 18-65 as previously indicated is not yet ready. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, it is my day. May I have unanimous consent to go back to Item 11?

MR. SPEAKER: The tabling of documents?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Proceed.

HON. ARNOLD McCALLUM: I wish to table the following:

Tabled Document 10-65, Financial Management and Control Study Report on the Northwest Territories Housing Corporation, July 1977.

Tabled Document 11-65: Financial Management and Control Study, Status Report and Work Plan.

THE CHAIRMAN  
I would like to point out  
if I indicate whether the  
some as the subject  
used as a source for  
advice of the  
JACOB CLOHUA  
THE CHAIRMAN (A)  
SOME HON. MEM.  
THE CHAIRMAN

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

Item 13, second reading of bills. Apparently none of those can go ahead either, Bills 11-65, 14-65 or 18-65.

Item 14, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 14: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

What is the wish of the Executive with respect to the order? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, we could go on to Bill 8-65, Taxation Ordinance.

MR. SPEAKER: This House will resolve into committee of the whole for consideration of Bill 8-65, Taxation Ordinance, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 8-65, Taxation Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 8-65, TAXATION ORDINANCE

THE CHAIRMAN (Mr. Stewart): Committee will come to order to study Bill 8-65, An Ordinance to Amend the Taxation Ordinance. Does the standing committee on legislation have any points to raise at this time? Mr. Lyall.

MR. LYALL: Mr. Chairman, the committee did not undertake a review of Bill 8-65, an amendment to the Taxation Ordinance, as this had already been done prior to the 64th session.

THE CHAIRMAN (Mr. Stewart): Thank you. Does the Minister responsible have any comments on Bill 8-65?

HON. ARNOLD McCALLUM: Mr. Chairman, again as I indicated in the purposes of this particular bill, the bill basically has been amended to bring into line and more up to date, to make the ordinance more realistic in terms of present day circumstances. It corrects certain erroneous parts that have been long standing. It makes the bill compatible with an existing section of the ordinance that was amended in the recent past. It clarifies the meaning of "municipality" in the Taxation Ordinance and it now makes the ordinance compatible to the Municipal Ordinance. It will allow for the expansion of the deadlines for making demands for agreement of real property taxes. It will enable the Commissioner in future orders to provide for discounts for early payment and interest on arrears and it will clarify and, in fact, rectify an erroneous order dealing with the coming into operation of the Taxation Ordinance throughout the Northwest Territories. That erroneous part dealt primarily with having an assessment done throughout the entire Northwest Territories at the same time, simultaneously. With the resources that we have within the department and within the government that is not possible; it must be done by stages and, in fact, this would be accomplished by an amendment to this ordinance.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Minister. Are there any comments of a general nature on Bill 8-65? Are you ready for clause by clause?

SOME HON. MEMBERS: Agreed.

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

HON. ARNOLD McCALLUM: Mr. Chairman, may I indicate one possible change and I think it is just a mistake in the writing of the ordinance and that is in subclause 3(1) of the amendment, paragraph (e) where it indicates "real property used as a church for Sunday school purposes," and I have a possible difficulty here in that I do not want to suggest that we would go into having it read the same as the Municipal Ordinance, but I think we could accomplish the same thing if I indicate rather than the word "for", rather than "real property used as a church for", it should be changed to "or" so it is "or Sunday school purposes." I would like to point out that the word "for" should read "or".

THE CHAIRMAN (Mr. Stewart): If the committee is in agreement, we can accept that as a typographical error so that it would read "or" instead of "for". Is it agreed?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, you can not say "used as a church or Sunday school purposes".

HON. ARNOLD McCALLUM: "Church or Sunday school," so change "for" to "or".

THE CHAIRMAN (Mr. Stewart): It should read "real property used as a church or for Sunday school purposes".

HON. ARNOLD McCALLUM: That is copacetic I guess.

THE CHAIRMAN (Mr. Stewart): Now, how does the committee wish to treat this, as an amendment or a typographical error? If it is a typographical error it has now been corrected. Clause 1, application. Mr. Fraser.

Definition Of Sunday School

MR. FRASER: Mr. Chairman, speaking of churches or Sunday schools, does this mean you could hold a Sunday school in your own home? Does it go that far?

THE CHAIRMAN (Mr. Stewart): I believe it is covered where it says "primarily for the purpose of public worship" on page two. That whole part on page two, the top of page two, "that is owned, occupied and used by a religious denomination primarily for the purpose of public worship." Does that satisfy your question, Mr. Fraser?

MR. FRASER: Yes.

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

HON. TOM BUTTERS: Mr. Chairman, on that same clause, I am just wondering whether, where the Sunday school is a separate entity, whether that would meet the definition of public worship and whether you might require an extension into religious education or something like that for the purpose of public worship or religious education.

THE CHAIRMAN (Mr. Stewart): Our Legal Advisor feels that the wording is sufficient in this matter but do you wish to continue it further?

HON. TOM BUTTERS: No, sir.

THE CHAIRMAN (Mr. Stewart): Clause 1. Is it agreed? Mr. Nickerson.

MR. NICKERSON: One question, I presume of the Legal Advisor. Would Sunday schools include Sunday schools that are held on a Saturday such as those operated by members of the Jewish faith or certain Christian denominations such as Seventh Day Adventists for instance?

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, I think that the designation Sunday school comes more from the activity carried on, when a Sunday school is in process other than the fact that it is on Sunday. Therefore, I would think that a Sunday school held on Saturday would none the less be Sunday school.

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

Crown Lands For The Use Of Natives.

MR. LAFFERTY: Mr. Chairman, I do not fully understand this Taxation Ordinance. I have gone through it briefly but I do not really understand it. I would like to have the Legal Advisor or the administration explain what would happen in the case of a municipality such as Fort Simpson where you have a number of properties that are held by the federal government, which is crown land on which there are treaty Indian people who are resident. In my understanding it is a property liable to taxation and there is an exception that real property held by Her Majesty or for public use by the territories, but what happens in the case of lots or properties that are held in trust by the Crown for Indian use, are they taxable within the municipalities?

Now, Mr. Chairman, I bring this up because it is of grave concern to me because in some municipalities where the populations are of 1000 or more there are many Indian people who are resident in the municipality and who are not in my opinion paying property taxes and thus a property tax on people who own their own land is very high. So, I would like to have this brought out and cleared before we get into this.

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

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, the Municipal Ordinance has a section almost word for word identical to section 3 where it sets out the exemptions from the municipal property tax and one of those exemptions is land held by Her Majesty. It is my understanding that generally speaking the lands held in trust for the Indian people are held by Her Majesty and they would therefore be exempted from municipal taxation just as they are exempted from territorial taxation under the Taxation Ordinance.

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

MR. LAFFERTY: A supplementary question, Mr. Chairman. As these people are exempted from taxation on crown lands that are held in trust for their use, who pays for the services that are demanded by these people in these same communities where there are ratepayers?

Taxation On Territorial Lands

THE CHAIRMAN (Mr. Stewart): In practice I can tell you it comes out of government revenues. Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, if I understand what Mr. Lafferty is speaking about, he was concerned -- I am checking on the relationship with this and the Municipal Ordinance. I would suggest in terms of his previous comment this Taxation Ordinance does not apply to the municipalities. When Mr. Lafferty refers to the situation in Fort Simpson he is talking about a municipality. This Taxation Ordinance is on territorial lands not in municipalities. Municipalities collect the taxes in municipalities, not the territorial government.

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

MR. LAFFERTY: Mr. Chairman, I am further confused. Before me is a document, the Taxation Ordinance and for the sake of the record may I have explained by the administration if we are here dealing with taxation applicable to property, real properties in a village, settlement or on all territorial lands with the exception of crown lands? Which ordinance supersedes in the case of the Northwest Territories, the Taxation Ordinance or the Municipal Ordinance for tax purposes?

THE CHAIRMAN (Mr. Stewart): Mr. Lafferty, if you will read subclause 3(1) "This ordinance does not apply to real property situated within a city, town or village, within the meaning of the Municipal Ordinance. (1.1) Subject to subsection (1), all real property within those parts of the territories in which this ordinance is in force is liable to taxation in accordance with this ordinance except..." and then it gives you the exceptions. That is on page one. Mr. Lafferty.

MR. LAFFERTY: Mr. Chairman, I did look at this and I hate to bring this up again but there are so many things going through my mind at one time that it appears that I have -- imposing certain taxes, for instance, some of the views that I have. You very well know the discussion that people should live on the land but we have a large number of people in the Northwest Territories who are not carrying out their responsibilities as they should. There are great numbers of people in the Northwest Territories who to some extent are tax-exempted and they are treaty Indian people. If they live on crown land, they are tax free, for instance, if they live on an Indian reserve. The Indian Act has not changed for the Northwest Territories.

#### Tax Exemptions For Treaty Indians.

If they live in a municipality or within the town boundary where there is a municipal tax system, the federal government in the case where the federal government or the Department of Indian Affairs and Northern Development purchase a piece of land from an Indian person and it is held by the government it is tax free to the government. Not so in the case of taxes here. Maybe the federal government does. I do not know the contractual set-up, but the fact remains that these people when they are out on crown land are tax-exempted. If I as a taxpayer were a non-treaty Indian person or anyone who is not a treaty Indian person decides that he wants to move out on the land merely for the purpose of subsistence and he clears a piece of land and should he be lucky enough to get title to it, he is asked to pay tax. To my way of thinking this is a disincentive from encouraging people to settle but rather, forcing them into the municipalities and settlements and so on. I do not know what the answer is but I am asking you to give very careful consideration before you turn around and fly through this very important matter that affects every one of us.

Just the other day I heard people saying that they would like to have their own homes. What we are talking about is real estate. Here we have 60 per cent of our population in the Mackenzie Valley, down the Mackenzie River, the basin. They are actually tax-exempted and you are asking a mere handful of people to carry the burden of these people. I would like to know how are we going to balance? Does this ordinance balance that, whether it be a municipality or out in the country? Thank you, Mr. Chairman.

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

#### Explanation Of The Purpose Of The Taxation Ordinance.

HON. ARNOLD McCALLUM: Mr. Chairman, I do not know what way to make a reply to the comments that the Member made. I can only say that the Taxation Ordinance is in effect, has been in effect on territorial lands outside municipalities. There is a tax levied on residents residing on these lands. One of the purposes of this is to provide some moneys for education.

As to the validity of the Member's statement that we are in fact forcing people into municipalities and not allowing people to settle where they want, I can not agree with that remark. I think that what we are attempting to do here basically is to correct some errors in the present ordinance and to make it more compatible with the Municipal Ordinance so that the process of collecting taxes not only on individuals but on corporations, companies will continue and it will be responsible as a body in attempting to generate money through taxation. How else does one get it? We can not continually go to the federal government asking for moneys to maintain existing programs or to introduce new programs without some of us taking some of the responsibility of providing some or part of that money. I can not add anything more than that.

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

MR. LAFFERTY: Mr. Chairman, I do know the intent behind the Taxation Ordinance and I sympathize with Hon. Arnold McCallum but there are many, many matters here that do affect the people along the Mackenzie River and that affect people in my constituency. One of the things that you very well know is the fact that before us are the outstanding unsettled Indian land claims and as long as there are outstanding Indian land claims that are unsettled people can not use the land anyway. If we are talking about taxing perhaps a dozen or so people in the Mackenzie who are living in the country away from the development zones which are already under the control of the Commissioner, I do not see any great urgency in the Taxation Ordinance without having had enough time or at least a couple of years to study it.

People Living At The Expense Of Taxpayers And Administration

On a point of order just to make my point, we had a Wildlife Ordinance before us that is not half as important as this ordinance and we shoved it back. Not all the people are dependent on game, only a very small percentage and we have to defend their interest, yet we keep taking it. Here we have a tax which affects every activity because it is on a person's home and nobody is giving it any serious consideration. I feel strongly on taxation because I want to purchase my own home and live in my own home but I am already overtaxed. If I move out in the country I would still have to pay tax because people in municipalities are not paying their way at my expense. It is all right for a person who is earning \$20,000 or \$30,000 or \$35,000 to do these kinds of things but the majority of people in the Northwest Territories along the Mackenzie are very poor. One way or another we are going to pay a subsidy and I do not think it is the guy who is trying to build his house who should be subsidized. There are great numbers of people who are living at the expense of the administration or taxpayers. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lafferty. I understand we also have, not a typographical error but a skip done in the typing on this particular bill.

I direct your attention to page two at the top of the page after the fourth line which reads: "connection therewith, not exceeding 0.8 hectares, but..." and this is the line that has been missed, "not including any other buildings not being churches or Sunday school." I will read that again on page two in the fourth line down which reads: "connection therewith, not exceeding 0.8 hectares, but not including any other buildings not..." and then the rest reads on, "...being churches or Sunday school, erected on church property." Is it agreed to accept this as a typographical error?

---Agreed

Clause 1, property liable to taxation. Agreed?

---Agreed

Clause 2. Agreed?

---Agreed

Clause 3, duties of assessor. Mr. Nickerson.

Taxes Collected Illegally

MR. NICKERSON: It would appear that we are now coming to the real substance of the bill, clause 3 and the following clauses which deal with the rectification or wording which might have resulted in substantial amounts of taxes being collected illegally.



HON. DAVID SEARLE: And paid.

MR. NICKERSON: I wonder if the Honourable Minister would be kind enough to give us an over-all picture of what has been happening here and I wonder if you could find out how much taxes, how much money has been collected possibly illegally. There are no amounts stated in the schedule here and if he could tell us how long this has been going on. I would like a general overview instead of dealing with all of these little tiny amendments to the various clauses.

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

HON. ARNOLD McCALLUM: Mr. Chairman, the Member is correct that the substance of the amendments are contained within those areas dealing with the duties of the assessor and in point of fact, how the assessment has been done over the years. I would have to find out the answer to the question as to how much money has been collected in the past. As far as the question of how long has the practice been in existence, I guess, since the ordinance itself came into existence. I do not know that.

The Member knows full well the difficulties we have had with the federal government in dealing with this onset of retroactivity cost. He knows, as I am sure other Members know, of the difficulty that we have had with the federal Department of Justice blocking, if you like, or taking a current interpretation of the powers that we would be able to have in legislation. This has been going on for some time. It is the opinion of our legal people that we were correct in trying to rectify the difficulties that existed under this. Their opinion was challenged by the federal Department of Justice and we have had an ongoing struggle for some time, or at least certainly within the last year or two when we have been attempting to do something about it. The federal Department of Justice is advising the Department of Indian Affairs and Northern Development that what we were attempting to do was not legal, it was not right; and yet in effect we have in this House and in past Houses passed legislation with retroactivity aspects in them. The problem, we believe, has to be clarified, it has to be corrected because we do not have the resources and I do not think it was the intent of the past House or Houses when this bill was brought in and passed in the beginning that all lands would be assessed simultaneously.

#### Capabilities In The Assessment Field

The physical resources required for that are of a great magnitude and we do not have that ability. We could in some instances and we have in the past, hired outside help to assist in assessment. We have been gradually over the years building up our capabilities in the assessment field. We are at a point now, where in doing the assessment totally through the territories, there is still a major problem, or major workload. We expect by making these amendments that we will bring the ordinance in line with the original intention, however well meant and that really did not occur. I do not know of the bill in the past but I know of the difficulties we have experienced just recently and I go back 12 months, to maybe 20 months, or 24 months and maybe it occurred before that, I do not know. I will attempt to ascertain what the amounts have been that were collected in the past but I would have to go back to the department to get that. However, I think what we are trying to do is simply make these amendments so that the original intent of the ordinance will be carried out.

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

Retroactive Aspects Of Legislation

HON. DAVID SEARLE: Well, this is one of those occasions when you could have a lot of fun with the government if you want because it appears to me from reading the bill that Mr. Nickerson is quite right in saying, starting with about section 5 you start getting into the real reason for the legislation. Particularly if you look at the schedule and you realize that clause 9 puts the sections we are just passing, clauses 1 to 4, into force and effect retroactively to the first of February, 1969. What this bill really says is that we are legitimating the correction of about eight years taxes from the persons and companies named in the schedule, I submit. I guess I do not mind that so much as I do accept the argument that it was unrealistic for the legislation to read that this had to be an assessment of the whole of the territory all at one time. Obviously the forces and people at hand could not possibly accomplish that task.

Now, while I appreciate the practical problems, I guess the thing that bothers me is that in the schedule we have a list of companies there who hold leasehold interests and who, presumably, paid assessments and then we have some lots and block numbers which do not have any names which accompany them but presumably they are private individuals and some of them may be companies. Then we have the Canadian National Railways with its communication system between Hay River and Fort Smith and presumably it has paid taxes on that and then the Canadian National Railways again on its spur line to Pine Point. I guess I would not be very happy if I were a person, or company and this type of legislation was put forward and I did not even know it was being put forward. I am wondering if in addition to providing information to Mr. Nickerson, which is how much money, how much tax money has been collected over the years that we are legitimating, I am wondering if these companies and lot owners have been advised of the retroactive legislation we are proposing here. To my mind it clearly affects them.

Specific Application Of Legislation

In other words, it is more than legislation which has general application, it has very, very specific application to the people who are specifically named here. I am wondering if we have done them the courtesy to at least let them know that we are taking specific action with respect to them and them alone.

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

HON. ARNOLD McCALLUM: Mr. Chairman, we have recently had some dealings with people who have appealed, companies who have appealed the assessments. In the case of two particular mines, that is and they obviously know but I am advised that there has been no prior consultation with the companies, the individuals that are listed in the schedule who have been assessed, or who have come into the assessment roll. In some instances there are those who know of the retroactivity but I would have to say no, not all have.

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

HON. DAVID SEARLE: Mr. Chairman, I guess what bothers me and I will try and be very specific, is that I understand the difference between a democratic society and a totalitarian regime to be that we in a democracy try and put the rights of the individual as paramount to those of the state and the converse is the case in a totalitarian regime, the state is first. I guess what bothers me with this type of legislation, not only should we be very careful when we are doing anything retroactively -- it is not so bad if it has general application -- but when it deals very specifically with individuals, persons and companies and I am assuming persons where we just have the lot and group number given, but to add to that we have not even done them the courtesy of telling them that we were going to legislate retroactively. Admittedly, most of them will have paid taxes so we are not going to collect any more money but what we are

really doing is saying, "We will not give you back the money you paid that we probably did not have authority to collect" and that is really the right of refund that we are taking away from them, as I see it, with this legislation. I guess the principle of doing this without any notice to them seems to me to be contrary to the principles of a democratic society. I guess that is what bothers me. I would like to hear what other Members think the principles should be that govern us in a democratic society.

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

Technical Defect In Present Ordinance

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I understand very well the Member's concern here but I think, perhaps, that what is not being understood clearly, I think I had better say that it is well understood by Hon. David Searle but I am not sure all the other Members understand that the ordinance that now exists has a grave technical defect in it. That is that it imposes on the administration a duty to assess and to tax which has been thus far impossible for it to carry out. Therefore, we should not have introduced the legislation whenever it was introduced years ago in that form. It called for assessment and taxation to be done in a blanket fashion and we did not have the capability of carrying that out.

Without in any way, of course, attempting to mislead the public, or do anything wrong whatsoever, our officers and officers of the administration simply applied the ordinance to those taxation areas outside the municipalities which had been assessed and failed to realize the technical wording, or that the technical wording of the ordinance called for it all to be done at once. So, there was no intention of misleading anyone. As soon as a place was assessed, the owner of that property, or improvement, knew very well that taxation was imminent that the rate had been struck and that he would be liable for taxation.

No Retroactivity Intended

What we are doing here is trying to correct a technical problem. There is no intention, or possibility of going back to anyone and collecting any more taxes. Now, Hon. David Searle recognized that in his remarks, that there was no retroactivity intended in the collecting of taxes. I suppose it had not occurred to us to go up to people and say there was a technical error in our ordinance and that we were going to correct it to simply maintain the status quo, to maintain things as they are. I suppose we could have done that but I think they would have become much more frustrated because we would have simply still pressed the Legislature to pass retroactive legislation to correct something that clearly was a technical error and the likelihood of any refunds in taxation would be very slight. For that reason, I think the persons who have been taxed in the past and taxed honourably, would not feel any better if they had been advised that this technical correction was being made.

THE CHAIRMAN (Mr. Stewart): One of the questions is how many dollars are we talking about and this was asked by the Honourable Member, Mr. Nickerson. If we had the figure, we might be able to conclude the answer fairly quickly to the problem. Are those figures available?

HON. ARNOLD McCALLUM: Mr. Chairman, we are attempting now to ascertain what that figure is. I will have to get back to the department. We have somebody looking into that now.

THE CHAIRMAN (Mr. Stewart): Would it be the desire of the committee then to report progress at this time until we have this figure? Mr. Nickerson.

Taxation In Arrears.

MR. NICKERSON: I would like to request some additional information which the Honourable Minister's staff might be able to get. I would like to know if any of the properties referred to in the schedule, with respect to these properties are there any large arrears of taxation? It appears to me that certain property owners might not have paid the tax in the past because they thought that there was no legal basis for doing so. It might be a harder decision for us to make to impose eight years prior taxation on somebody rather than just to legitimize taxes which have already been paid a year at a time and really did not cause a great deal of hardship. That is one thing I would like to know.

Also I would like to know whether there are any outstanding lawsuits, anything before the courts where people are challenging the taxes that have been paid, not the assessment but the legality of those taxes. I might say that although I agree wholeheartedly with Hon. David Searle and the point that he brings out, we have to be very, very careful when we are passing this type of retroactive legislation. It is something that we can not do without a good deal of thought because it does infringe on the rights of citizens and people should know what the rules of the game are and not have the rules forced on them afterwards. I also appreciate the position of the administration that this was a technical matter. It was certainly not changing the intention of the legislators of the day. We also must realize that, had the administration gone around two or three years ago when this came to their attention and advised people that the taxes were possibly illegal, there would have been all kinds of challenges to the payment of that taxation so I guess the administration has to tread very carefully and very tactfully on this matter.

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

HON. DAVID SEARLE: Almost secretly if the legislation had to be made public. Regarding the comments, my preference with regard to this bill would be, as we have done with other recent legislation, I would be much happier to deal with it in the October session and in the meantime have the administration circulate to the affected persons copies of this and give those people the opportunity in the meantime of taking whatever legal action they may choose and that frankly would be my feeling for it. I just do not like going bulldozing ahead.

THE CHAIRMAN (Mr. Stewart): The position of the Chair at the moment is depending upon the amount of money involved. We might want to drop the retroactive section when we pass the bill and refund the money. Until we have these figures at hand I do not know what we are talking about. It is at the pleasure of the committee.

HON. DAVID SEARLE: I suggest that we break for coffee and maybe we could complete this debate after coffee.

THE CHAIRMAN (Mr. Stewart): It seems to me about that time. We will adjourn for 15 minutes for coffee.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls this meeting back to order. Do you have any further information for us at this time, Mr. Minister?

Taxes Collected On Private Property

HON. ARNOLD McCALLUM: Yes, Mr. Chairman, we have. Mr. Chairman, pursuant to the order which came into effect dated the 6th day of February, 1973, the total amount of taxes collected on private property, not including federal grants, during that time since 1974 was \$621,884.50. Mr. Chairman, the total amount of arrears across the territories would not exceed \$12,000. There are no outstanding lawsuits challenging taxes paid. Mr. Chairman, the right to appeal an assessment notice, which in effect is a notice that taxes will be levied, is set out in the existing ordinance, in the procedure. If it is not done, if nobody challenges that assessment, then they are not in effect challenging the levying of taxes. Mr. Chairman, I think just to reiterate again that we are trying to bring this ordinance back retroactively, not that we are in the process of collecting back taxes. I hope we are not getting confused with the term retroactivity. We are not increasing the assessment. The department, the administration is attempting to do as this Assembly wished it to do, directed it to do by the ordinance. However, in so carrying out those wishes of this House it has come to our attention there were certain technical corrections that must be made. That is what we are attempting to do with this piece of legislation. I can not add much more to that.

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

MR. NICKERSON: Just one question, Mr. Chairman. We were told there was \$12,000 or so outstanding. I just wondered whether any of the major properties, the mining or oil company properties had any large amount of arrears and any of these lots which are presumably owned by individuals is there a substantial amount owing on any of those?

HON. ARNOLD McCALLUM: Mr. Chairman, I am advised no.

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

HON. DAVID SEARLE: I am not so sure I understood Hon. Arnold McCallum's amount that he gave us of \$621,000. Is that the sum of taxes that are going to be collected over the period of, I think, approximately eight years with respect to the properties shown in the schedule?

HON. ARNOLD McCALLUM: Mr. Chairman, that amount of \$621,884.50 is the amount of taxes collected from 1974 to 1977 and does not include federal grants.

HON. DAVID SEARLE: What relationship does that have to the property listed in the schedule? Does it have bearing on that property or is it that property plus all the other properties in the territories?

HON. ARNOLD McCALLUM: Mr. Chairman, that amount is against the properties listed in the schedule but we should be aware that some of them had not paid any taxes.

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

HON. DAVID SEARLE: Why do the figures given come from that period 1974, whereas the retroactive section goes back to February of 1969?

Date Of Coming Into Effect

HON. ARNOLD McCALLUM: Mr. Chairman, clause 9 which is asking for retroactivity to come into effect first day of February, 1969 is when the bill was introduced. The Commissioner ordered the setting out of a schedule for assessment and it did not come into effect until the 6th day of February, 1973, so the taxes were levied for 1974 through to 1977.

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

HON. DAVID SEARLE: Then why do we not have in clause 9 retroactivity going back only to February 6, 1973? Why does it go back to February 1, 1969?

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

LEGAL ADVISOR (Ms. Flieger): In 1969 the ordinance was amended and in section 97, if I could read it to you: "This ordinance will come into force in respect of any area described in an order made by the Commissioner on a day to be fixed in that order by the Commissioner." It was in 1969 that this House attempted to correct the flaws that we are looking at today. Unfortunately at that time the consequential amendments that were required were not made and the retroactivity which you see in clause 9 of this bill is intended to bring into effect the consequential amendments that ought to have accompanied section 97 in 1969.

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

HON. ARNOLD McCALLUM: She has got it right, no question.

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

MR. FRASER: I understand we are going through the bill clause by clause and I think we were at clause 6 and now we have jumped from clause 6 to clause 9 and then back to the schedule. I wonder if we could stay in line with this ordinance and finish with clause 6 and then go to clauses 7, 8 and 9 if we have to.

THE CHAIRMAN (Mr. Stewart): Actually we were on clause 3 when general questions were brought to the floor. I am quite prepared to go back to the clauses, believe me. Hon. David Searle.

True Purpose Of Bill 8-65.

HON. DAVID SEARLE: Mr. Chairman, I do not mean to engage in a debate with Mr. Fraser but frankly the exact reasoning and logic behind the bill as a whole really does not in my humble opinion appear clearly in the statement of purpose until we get to clause 4. In fact I just sent Hon. Arnold McCallum a redraft of what I considered to be a proper statement of purpose for the bill and you are quite right. We have had a pretty general discussion after that because it is only with those clauses if read as a whole that give you the reasons for this bill which is, apart from the few nominal amendments, is to very specifically correct what may be the unlawful or illegal, at least questionable collection of taxes against specific properties and from specific people over the last three to four years. That really is what the true purpose of this bill is. We have just got to that. I am quite satisfied if everybody understands that we go back and deal with this clause by clause but we did not really get that out of the administration until we got to where we are now.

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

MR. FRASER: I understood that when the chairman introduced the bill he asked for comments of a general nature and I would take it that we jumped from page two right down to page five and we are all over the bill and I thought it was agreed that we go through the bill clause by clause until we got to clause 3 and then seemed to have finished the bill because we went to the last page a couple of times.

THE CHAIRMAN (Mr. Stewart): The Chair stands duly chastised, Mr. Fraser. Clause 4, idem. Mr. Nickerson.

MR. NICKERSON: Why in section 7 of the ordinance with which clause 4 is concerned does the word "exempted", why is it being changed to the word "excepted" and what is the reason for that, Mr. Chairman?

THE CHAIRMAN (Mr. Stewart): I am advised that is a drafting correction. Madam Legal Advisor.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, if you look to section 3 of the ordinance it sets out that all real property is liable to taxation "except" and it does not in fact use the word "exempt", so it is just to be consistent the word "excepted" has been used.

THE CHAIRMAN (Mr. Stewart): Clause 4. Is it agreed?

---Agreed

Clause 5, adoption of existing roll. Agreed?

---Agreed

Clause 6, new assessment may be ordered. Agreed?

---Agreed

Clause 7, when tax payable. Agreed?

---Agreed

Clause 8, demand for taxes. Agreed?

---Agreed

Clause 9, commencement. Hon David Searle.

HON. DAVID SEARLE: I would like for the record to show my vote recorded as nay against clause 9.

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

MR. NICKERSON: I believe, Mr. Chairman, that this is the provision with which the Department of Justice was so much concerned and I wondered if there has been any written communication between the Government of the Northwest Territories and the Department of Justice as to whether or not it is now the opinion of the department that the Legislative Assembly of the Northwest Territories is, in their opinion, empowered to make such legislation.

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

Position Of The Department Of Justice

DEPUTY COMMISSIONER PARKER: I have here a wire from the Deputy Minister of Indian and Northern Affairs concerning our legislative program, and he is speaking on behalf of the Minister, and an extract from that telex reads as follows: "With regard to the proposed amendments to the Taxation Ordinance you will be pleased to know that the Department of Justice is now of the opinion that you and the Council are empowered to enact retroactive legislation under the Northwest Territories Act."

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

MR. NICKERSON: I must say that I think it is very important that that communication be read into the proceedings, Mr. Chairman, as undoubtedly some day it will come back to haunt the Department of Justice.

THE CHAIRMAN (Mr. Stewart): I presume it has now been read into the record. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, I would just like to make my position very clear. I support the general principle that this Assembly should not be able to enact legislation retroactively. In other words, I do not oppose this section because I do not think that as a Legislature we should have the power, I think we should have that power but I oppose this section in this particular case because on the merits I do not think we should be using the power. The reason I do not is because if it was legislation which had general application to everybody that is different but this legislation deals in the schedule with

specific people and with specific properties and we are legislating against specific individuals and specific properties, retroactively without any notice to them. I think you should be very careful when you legislate retroactively, more careful when you legislate retroactively against specific lands and specific people. I just do not like the way we are going about this. If I were such a person or owner of such a piece of land I would be very unhappy with this body. Those are the reasons I do not support it.

THE CHAIRMAN (Mr. Stewart): I have been advised by the Legal Advisor that the schedule does contain all those people who have been taxed. It is not just a section, it is everyone who has been taxed included on that schedule.  
Mr. Nickerson.

MR. NICKERSON: I must say, Mr. Chairman, that I have probably done as much soul searching on this particular issue as has my colleague, Hon. David Searle. I dislike retroactive legislation at the best of times. I dislike it even more when it deals with specific individuals and especially when it concerns money that has been extracted possibly illegally from those people. However, after having given the matter careful consideration I come to a different conclusion to that of Hon. David Searle. I certainly intend to support this. I would hope that the administration in hearing of our deep concern on these matters would do their best to make sure that such a thing never happens again.

The Question Of Notice

The question of notice, the people involved not being notified, I do not think this is really the case because this bill was made a public document at the last session of the Legislature and at that point in time I made a point of speaking publicly on the bill, bringing out the question of retroactivity so that anybody who had read the debates or had been in the House at that time would have known that it was the intention of the government sooner or later to bring forward such legislation. I believe the media gave a certain amount of publicity to the fact, they for once were doing their public duty and after having carefully weighed all these facts I find that I am inclined to support this particular piece of legislation, although I do certainly have some doubts in my mind.

THE CHAIRMAN (Mr. Stewart): Thank you. Clause 9, is it agreed?

---Agreed

Clause 10, Commissioner's order. Mr. Lafferty.

MR. LAFFERTY: Mr. Chairman, my questions have not really been answered and as I am very much in doubt as to this legislation, what kind of public reaction we would get from it. After having listened to Hon. David Searle, Hon. David Searle's comments and the principle involved here, I do not think that I could at this time support the ordinance, although I am in agreement with the principle of the ordinance. I feel that since it does affect properties, individual properties that people should have a chance to discuss it. I do not think they have had such a chance. Again, we are dealing here specifically with specific properties and as Hon. David Searle points out, we are not dealing in general across the territories. Since in my mind ...

THE CHAIRMAN (Mr. Stewart): Mr. Lafferty, I notice you are speaking now not relative to clause 9 or clause 10 and obviously you have the option on third reading of the bill to ask for a recorded vote, at which time you can make your position clear. So, unless you wish to speak to clause 9 or clause 10 you are out of order at this time.



MR. LAFFERTY: I am presently speaking, Mr. Chairman, on clause 9. I think I too would like to go on record as not supporting that clause. I do not believe in retroactive legislation.

THE CHAIRMAN (Mr. Stewart): Thank you. I will record you as opposing clause 9. Clause 10, is it agreed? Mr. Steen.

MR. STEEN: Mr. Chairman, I guess I have to apologize for coming in here late because there were many things I would have liked to have said on this. However, I think you probably would have ruled me out of order, mainly because I do not believe that some people must pay a property tax and others not, especially private owners. I believe you will rule me out of order, so I just thought I would slip it in there.

THE CHAIRMAN (Mr. Stewart): You have slipped it in as far as you are going to be able to, Mr. Steen.

---Laughter

Clause 10. Agreed?

---Agreed

The short title. Agreed?

---Agreed

MR. FRASER: Mr. Chairman, are we going to go back to the schedule or do we go to the short title?

THE CHAIRMAN (Mr. Stewart): You are absolutely correct. The schedule.

Taxation Of Settlements

MR. FRASER: I would like to ask the administration on the settlements, they are just a bunch of names; Aklavik, Tuktoyaktuk, Enterprise and are those the municipalities that taxes are levied on or what is this?

THE CHAIRMAN (Mr. Stewart): With regard to the Hay River-Enterprise development area it is the area between Hay River and Enterprise that has been assessed and property taxes have been in effect there for two years, I believe.

MR. FRASER: The settlements have been taxed.

HON. ARNOLD McCALLUM: The settlements, Mr. Chairman, are the ones that have been assessed.

MR. FRASER: They have not been taxed, I take it. Is that it, Mr. Chairman?

HON. ARNOLD McCALLUM: Mr. Chairman, the properties in these communities have been assessed over the past while and if they have been assessed taxes have been paid. Not all taxes have been collected on them, mind you.

THE CHAIRMAN (Mr. Stewart): The distance between Hay River along the highway and Enterprise is in question and these properties have been assessed and taxes have been applied to them, if that is your question.

MR. FRASER: It is not quite clear to me, Mr. Chairman, that in an earlier statement made by the Minister and I think I can quote him, "It has nothing to do with some municipalities or communities. It was outside the communities. It was Queen's land." Is that right?

HON. ARNOLD McCALLUM: This ordinance, Mr. Chairman, as it indicates in the first sentence the ordinance does not apply to real property situated within a city, town or a village within the meaning of the Municipal Ordinance. The communities that are there are not cities, towns or villages. So, in fact, this does apply to those communities.

THE CHAIRMAN (Mr. Stewart): Hay River's southern border goes to Mile Seven, and it is that area from Mile Seven to Mile 28 that is included in the Hay River-Enterprise development area.

#### Purpose Of Paying Taxes

MR. FRASER: Mr. Chairman, I am going to follow this up a little more. Maybe I can word it a little differently. The community of Norman Wells will be paying taxes on leases but what are we getting back for those taxes? I mean, what are the communities supposed to be putting out? Why are they taxing us? There are no roads into your property, no water delivery. I have not even got a house and am paying taxes.

HON. ARNOLD McCALLUM: In the community of Norman Wells, Mr. Chairman, it is a particular community that does not fall within the municipal taxation. The government funds the operation of that particular community as it does fund other communities below the level of a city, town or village, hamlets and communities to provide the services that are required by the settlement council. The government pays the shot for that, for the housing of people in the community, for the carrying out of services peculiar to that particular community. Those are the things that the people of that particular community get. It may not be enough for them. As one takes on more responsibility, as one community takes on more responsibility and moves, as it were, up the ladder of local government, then they can then raise additional taxes within that municipality to provide for some of the additional services that the citizens of that community may want to have. We are not forcing anybody to come in and take on additional responsibility in the form of local government unless that community wants to.

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

#### Taxes Paid On Leased Property

MR. FRASER: Mr. Chairman, I do not know if I am in order here or not but I would like to ask the Minister whether these taxes that are being paid for leases. Is it possible to purchase that property outright, are any taxes that have been paid on that piece of property, or that lease, would that go against a purchase of that particular lease?

HON. ARNOLD McCALLUM: The obvious answer is no. There is a lease rental, but you have no lease purchase to purchase the property outright. You do not pay rent and apply that to the cost of the particular land. You do it on a lease rental but not on a lease purchase.

MR. FRASER: How can you purchase a piece of property if the land is frozen? You can not purchase anything in the valley now because the land is all frozen. That is not my fault.

HON. ARNOLD McCALLUM: Again, I can not comment on that. I do not think that is our fault either. Where the land is available and has been turned over to this government, we have been in the cases of municipalities, making the municipalities the agent for land sales. The government is not in the business of selling land. In municipalities, the municipalities are. When we have more land turned from the federal government to this government, we will in turn turn that land over to the various municipalities and do as this House and as past Houses have indicated, get land out so the people can utilize it. I am not in disagreement with it.

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

MR. NICKERSON: I was waiting for the light to come on, Mr. Chairman. In the schedule here there is only a limited number of hamlets and unincorporated communities that are included in the schedule. I wonder if we could be advised what progress the Department of Local Government is making in assessing other communities. There must be a lot of taxes that we potentially could collect that we are not collecting because properties have not been assessed.

Progress Made In Assessing Communities

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

HON. ARNOLD McCALLUM: Mr. Chairman, that is correct. We are in the process of adding to the schedule and the schedule, of course, would have to be looked at again when the new schedule comes in as well because it involves everything. We are in the process of very definitely increasing the assessment in various communities. I do not mean increasing it by adding to it, I mean getting more and more communities on the list. Again, because of the resources available to us in terms of personnel, it takes a long time. We have to go back in communities that are already assessed after a period of years and we assess them again. So, the schedule is being added to as quickly as we can, do in fact, do what I think Mr. Nickerson has indicated, to realize more of the potential that is there. We are making every effort to do that.

MR. NICKERSON: I am pleased to see that efforts are being made, Mr. Chairman. In order to find out how swiftly this procedure is taking place I wonder if we could be advised, for instance, how many additional communities expect to be added during the forthcoming year. That will give us an idea of the speed at which this is being done.

HON. ARNOLD McCALLUM: Mr. Chairman, the only additional community this coming year will be Resolute. That may seem not to be moving very quickly toward getting more but I must point out to you that there are four general revisions, or reassessments that have to be done, including Yellowknife. This becomes a very difficult process again with resources that we have. We try to build up a capability within the department to do this but then we, being responsible for this department and having some responsibility to other departments, have to be concerned with the number of man years that we can get in a particular department in a particular division and where the priorities are. This is one of the priorities but in building up a capability, taking a total look at the entire department and other departments, you have to wage a battle to get additional capabilities in man years. The reason why we have to slow down this year and we are looking at only Resolute would be because of these four complete assessments that we have to review.

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

MR. FRASER: Just to clarify something else, Mr. Chairman, I understood that if you live in any one of these communities you are taxed but if you do not live in a community like Rae, Fort Franklin, Fort Norman or Fort Good Hope, you are not taxed; is this right?

Capability To Carry Out Assessments

HON. ARNOLD McCALLUM: Mr. Chairman, that is correct. We would like to curb that situation as soon as possible and that is the comment Mr. Nickerson was making, "How soon are we going to get to them?" I can only offer you, again, as I offered Mr. Nickerson, that we attempt to build up a capability within the department to carry out this assessment but we have four general assessments to do, in Yellowknife, Frobisher Bay, Fort Simpson and go back to Fort McPherson again, so we can only take on a minimum of new assessment work. It is not an easy task. It takes a lot of man hours and we do not have that large a staff of assessors.

THE CHAIRMAN (Mr. Stewart): You might be forewarned, Mr. Minister, you also have Hay River.

MR. FRASER: Mr. Chairman, it looks to me like the settlements and communities that are being taxed are the only places where the people could pay.

THE CHAIRMAN (Mr. Stewart): Could you put your microphone on? We are having difficulty hearing you.

MR. FRASER: It seems to me that communities here are just the communities that can pay it. I think the person should move into one of the other communities where you do not have to pay. That is what it looks like.

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

#### Approach In Choosing Communities

MR. STEEN: Mr. Chairman, I kind of think the procedure or the attitude of the government has gone about taxing or picking the communities, the method is unfair. I think that the communities along the river as listed here should not pay until some, or all of the other communities are going to pay taxes too. For instance, Frobisher Bay, Pangnirtung, Rankin Inlet, most specifically Baker Lake, should be the ones nailed right away too, so that they understand that it takes money to run communities. I think that we here represent the whole of the Northwest Territories and we should not pick specific communities at one time. I think we should go on an over-all attitude, or approach. I think that, you know, paying taxes in the West and the East they do not pay taxes is unfair. Thank you.

THE CHAIRMAN (Mr. Stewart): The schedule. Agreed?

---Agreed

Short title. Agreed?

---Agreed

The bill as a whole. Agreed?

---Agreed

Shall I record Bill 8-65 ready for third reading? Agreed?

---Agreed

MR. SPEAKER: Mr. Stewart.

#### Report Of The Committee Of The Whole Of Bill 8-65, Taxation Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying Bill 8-65 and wish to report this bill ready for third reading with the following notes: On page one under clause 3(1.1)(e) there is a typographical error and there is a word which has been missed but it should read "real property used as a church or for Sunday school". On page two there was an error by omission of a whole line following the fourth line at the top of page two "connection therewith, not exceeding 0.8 hectares, but not including any other buildings not" and continuing on "being churches or Sunday schools, erected on church property". I have a request from several Members, one by the Hon. David Searle and he requested a recorded nay vote on clause 9 and also similarly for Mr. William Lafferty.

MR. SPEAKER: What is the next bill? Hon. Peter Ernerk.

HON. PETER ERNERK: Bill 13-65, Mr. Speaker.

MR. SPEAKER: Do you want a break from the chair in that Bill 13-65 deals with the Public Utilities Income Tax Rebates Ordinance?

MR. STEWART: Yes, Mr. Speaker. I have some comments I would like to make with regard to this bill.

MR. SPEAKER: Mr. Fraser, are you prepared to take the chair?

MR. FRASER: Yes, sir.

MR. SPEAKER: This Legislative Assembly will resolve into committee of the whole for consideration of Bill 13-65, the Public Utilities Income Tax Rebates Ordinance, with Mr. Fraser in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Bill 13-65, Public Utilities Income Tax Rebates Ordinance, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 13-65,  
PUBLIC UTILITIES INCOME TAX REBATES ORDINANCE

THE CHAIRMAN (Mr. Fraser): The committee will come to order to discuss Bill 13-65. We went into this bill yesterday, just introduced it and there were no translations. I wonder if we could ask the Members if they have translations now?

MR. KILABUK: Yes.

THE CHAIRMAN (Mr. Fraser): Do you have the proper translations?

MR. KILABUK: Yes.

THE CHAIRMAN (Mr. Fraser): Bill 13-65, An Ordinance to Provide for Payment of Income Tax Rebates to Certain Public Utility Companies. Are there any comments of a general nature, or is there a Minister responsible for this bill who would like to comment on it? Hon. Tom Butters.

HON. TOM BUTTERS: The comments that were made yesterday still apply and that the rebates are already being made to the utility companies so affected, specifically Plains Western and Alberta Power. The only thing is that the rebates are made under federal authority by our administration. This legislation will permit the administration to make such rebates and determine the amount of such rebates under territorial legislation.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. So, we will go into comments of a general nature. Mr. Lyall.

MR. LYALL: Mr. Chairman, in considering this bill, the committee questioned the use of the words "distributor" and "seller" and have obtained the administration's agreement that these words were correct words to be used. That was the only question that came up on this bill.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Lyall. Hon. Tom Butters.

HON. TOM BUTTERS: I can not reply to that. Possibly the Legal Advisor might confirm that those words are applicable and legally correct.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Ms. Flieger. Hon. Tom Butters, do you wish to call a witness up?

HON. TOM BUTTERS: The words were checked yesterday and according to the administration they are correct as provided. I just thought that perhaps the Legal Advisor had some concern that they did not apply. The administration is satisfied with the way they are worded to achieve the end which they wish to obtain.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Does that satisfy your question, Mr. Lyall?

MR. LYALL: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you. Comments of a general nature. Mr. Stewart.

#### Handling Of Rebates

MR. STEWART: Mr. Chairman, relative to this bill I am wondering if it will in any way change the present manner in which it is being handled. We have a situation where it says that the refunds shall be made to customers and does that indicate that the federal government and the territorial government as being customers will now share in the rebates? At the present time the rebates in some instances are being turned back to the municipalities for use by the municipality and I was just wondering whether or not this would be lessened and the territorials and the feds take their portion off, that is the way the wording is, because it could happen.

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

HON. TOM BUTTERS: Well, my understanding when I went over it was that the moneys that are presently rebated go to the power companies and they are instructed that the rebates shall be further disbursed to the purchasers of the power. I am informed that municipalities are not getting this rebate. The rebate is made directly to the power companies who are named.

MR. STEWART: I would raise the question, are the territorial and federal governments getting their rebates from the power companies as customers?

THE CHAIRMAN (Mr. Fraser): I am having trouble hearing you. I think you should pull your mike down a bit. I did not hear your question.

MR. STEWART: I am sorry, Mr. Chairman, my question, to rephrase it, since the terminology "customer" is used, do the territorial and federal governments receive rebates from the power companies?

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

HON. TOM BUTTERS: Mr. Chairman, the administration has been selective in making the rebates and they have been returning the rebates to the domestic customers only or are directing that they be returned to the domestic customers only because a rebate is made at the present time by the company under authorization of the government's direction.

#### Turning Over Rebates To Government At Local Level

MR. STEWART: I would then presume that in many of the smaller areas and hamlets, particularly in the Eastern Arctic where you may have only one paying customer or two and the government picking up the rest of the tab that the rebate would only be to that one individual and if he happens to be a businessman, he probably would not get a rebate except for his house. This money then would not in any way get to the use of the people. What I am trying to get at is that I feel this is the wrong approach. I think this rebate should be turned over to the hamlets and municipalities or whatever it may be to be used for general revenue for recreation or whatever else it may be because in itself the rebate is that small that it does not really amount to that much and it would do far more good if it were lumped to allow each place that has a government to have this turned over to them for their use. I know in our case it is something like \$15 or \$20 a year and it does not really amount to anything but to a group it does mean something.

HON. TOM BUTTERS: Mr. Chairman, the federal act specifies that it be turned over to the power companies selling and distributing power. It does not apply in the Eastern and Central and High Arctic as the Member suggests since my understanding is that the area is serviced by NCPC, the Northern Canada Power Commission which is a non-profit organization and therefore, makes no profit and therefore is not taxed. The rebate applies only to those companies who are making profit and these specifically are Alberta Power and Plains Western.

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

MR. STEWART: There are areas where NCPC are making money and there are areas where they are losing money so I guess the equitability is not quite there.

THE CHAIRMAN (Mr. Fraser): Deputy Commissioner Parker? Any comments of a general nature? Is it the wish of the House we proceed clause by clause? Is it agreed?

---Agreed

Clause 2, interpretation. Agreed?

---Agreed

Clause 3, tax rebates. Agreed?

---Agreed

Clause 4, regulations. Agreed?

---Agreed

Short title. Agreed?

---Agreed

The bill as a whole? Agreed?

---Agreed

Is it the wish of the Members that we now present this bill ready for third reading? Agreed?

---Agreed

Should I report progress? Is it your wish I report this ready for third reading? Agreed?

---Agreed

MR. SPEAKER: Mr. Fraser.

Report Of The Committee Of The Whole Of Bill 13-65, Public Utilities Income Tax Rebates Ordinance

MR. FRASER: Mr. Speaker, your committee has been studying Bill 13-65 and I would like to report this bill ready for third reading.

MR. SPEAKER: Would Bill 9-65 be the next bill that would be appropriate to go into? Has anyone tallied the smokers against the non-smokers in the House? This House will resolve into committee of the whole for consideration of Bill 9-65, Tobacco Tax Ordinance, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 9-65, Tobacco Tax Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 9-65,  
TOBACCO TAX ORDINANCE

THE CHAIRMAN (Mr. Stewart): Committee will come to order to study Bill 9-65, An Ordinance to Amend the Tobacco Tax Ordinance. Mr. Lyall.

MR. LYALL: Mr. Chairman, it was the wish of the legislation committee to bring this bill, Bill 9-65, An Ordinance to Amend the Tobacco Tax Ordinance, which would increase the tax on cigarettes. In considering this bill the committee recommended that the application of this tax be broadened to apply not only to cigarettes but also to pipe tobacco and cigarette tobacco.

THE CHAIRMAN (Mr. Stewart): Thank you for your report from your committee. Mr. Minister in charge of this.

Purpose Of The Tobacco Tax

HON. ARNOLD McCALLUM: Mr. Chairman, the legislation that is being proposed is the legislation to increase the tax on cigarettes. This legislation, Mr. Chairman, came about because of the request by this House to provide increased benefits to senior citizens. You will recall that the administration introduced a bill at the last session, or the session prior to that, on hotels which was defeated. That tax would have been used for supplemental senior citizen benefits. The administration was then directed upon the defeat of that bill to come back with another source of taxation. There were a number of items that were suggested, one of them being a tax on cigarettes. As a result, Mr. Chairman, the administration is now putting forth a bill that will increase the tax one cent on every cigarette purchased. At the present time, the tax is eight twenty-fifths of one cent on every cigarette and we propose to increase it to a full cent, an increase of seventeen twenty-fifths of a cent on every cigarette. The tax would generate a certain amount of money, some of which would be used to catch up on the tax as it is applied and is comparable across the country and the other, or the remaining amount or portion thereof would be used in conjunction with increasing benefits to senior citizens.

At the present time the rate of tax per 1000 cigarettes in the Northwest Territories is much lower than that across other various jurisdictions. The 1977 rate, for example, in Newfoundland is \$12 per 1000 cigarettes. The present 1977 rate in the Northwest Territories is three dollars and 20 cents. There is quite a discrepancy. Ours at the present time is the lowest tax rate of any jurisdiction in Canada. The various jurisdictions are contemplating increased taxation on cigarettes and the Canadian mean tax rate proposed would be about nine dollars and 60 cents. We would like to propose a ten dollar rate on cigarettes in order to generate the funds for which I have already indicated. We have information hopefully enough to satisfy various questions that Members may have. If not, we would propose to obtain that kind of information.

THE CHAIRMAN (Mr. Stewart): I have noted that some Honourable Members have already stopped smoking. I wonder if they had pre-knowledge of this particular legislation. That is 17 cents a package as I compute it. That is enough to drive a person to drink if you could afford to.

HON. ARNOLD McCALLUM: Maybe we could make it retroactive.

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

Methods Of Collecting The Tax

MR. WHITFORD: Mr. Chairman, I am wondering if the Minister could tell me how he is going to pass this down to the consumer. I suppose the purchaser of bulk cigarettes would pay this penny per pack to the government or how is it going to get to the consumer? Maybe I did not express that well.



HON. ARNOLD McCALLUM: I am not sure if I understand the Member's question properly, Mr. Chairman. The consumer, of course, would pay the tax when he buys them. We would get it from the wholesaler.

THE CHAIRMAN (Mr. Stewart): It is done on the wholesale level.

HON. ARNOLD McCALLUM: When you go to buy a pack of cigarettes you would pay it. There is no question.

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

MR. NICKERSON: I have quite a bit to say on this particular subject, Mr. Chairman. I think that somehow we are going to get ourselves out of whack here. We are proposing a rate of one cent per cigarette which will make it \$25 per 1000. We heard the rate in Newfoundland, the highest taxed province presumably, is some \$12 per 1000 and the Canadian average is nine dollars and 60 cents a 1000. That will put us completely out of the ball park as far as other jurisdictions are concerned. It seems that the administration have been somewhat dishonest. This Legislature proposes to increase cigarette taxes to pay for the old age supplements that we so very much wanted to put into effect. What the administration has done is turn around and say "Oh, look at that. We have forgotten about cigarette taxes for some time. We have got a little bit behind the times and we are going to increase it up to the provincial average, the high provincial average and put that money into general revenue and then we are going to put a whole bunch more on top to pay for the senior citizens." This was not the intention of the Legislature at all.

Amount Required For Old Age Pension Supplement.

I think what we should be doing in this particular committee is to look at the amounts of money which will be required to pay an old age pension supplement. We have to make sure that that legislation will go through in the manner in which we want it to. We want a pension scheme and not a welfare scheme. We have to be assured that the administration will do that and then we have to look at the amount of money that it is going to cost. Then we have to look at the increase in cigarette tax which will be necessary to pay for that one special area of expenditure.

We were given to understand at the last session that the tax necessary would be in the region of five cents to ten cents a packet. I think it was around seven cents or something like that. People do not mind paying an additional ten cents a packet but to boost it up 20 cents a packet at one shot, you know, that is a little bit too much for one time. What we should have available to us, what we should have before us is a balance sheet showing how much money we need to pay the old age pension supplement and how much tax on cigarettes we will have to impose in order to raise that money. It would seem also that the administration have not taken very much regard to the suggestion by Mr. Lyall's committee that taxes should be increased on all tobacco products, cigars, pipe tobacco, everything else and not just cigarettes.

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

HON. ARNOLD McCALLUM: Mr. Chairman, just one comment on that. We are proposing one cent per cigarette. That is ten dollars per 1000, not \$25 or \$27. One cent. It is now eight twenty-fifths of a cent and we are proposing to make it a full cent. The tax then becomes one full cent on a cigarette which is ten dollars per thousand.

MR. NICKERSON: I stand corrected.

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

Proposed Tax Too High

MR. STEEN: Mr. Chairman, thank you. I would just like to say that perhaps there is a conflict of interest to speak on taxes on cigarettes because I never smoke them myself. I really was going to say just what Mr. Nickerson has said, that one cent is a little bit on the high side for every cigarette that is bought or purchased by a person. Perhaps it should be half a cent. If the government wants to raise the other half perhaps they should put pay toilets in the Arthur Laing building or something like that. I think in all government establishments that is what they should be doing to raise money instead of imposing on the general public. They should think about what they are doing.

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

MR. LYALL: Mr. Chairman, there is only one comment I wanted to make. When they impose this cigarette tax in the first place I think, I personally think and I think the committee felt the same way, that there was at that time a little bit of hesitation going on when they did not put a tax on all tobacco. I guess they did not put tax on all tobacco at the time because of the fact that they were more or less looking at the hunters and trappers out on the land who generally use that type of tobacco to satisfy themselves. I guess that the thing I fail to see too, is that we are only putting it on cigarettes and nothing is changed, like Mr. Nickerson said and our committee recommended that the tax be placed on all tobacco.

Extending Taxation To All Forms Of Tobacco

HON. ARNOLD McCALLUM: Mr. Chairman, on that point I should have indicated as well to Mr. Nickerson that the administration has in fact taken the recommendation of the standing committee on legislation but we did not have time to put it in the bill. We have information on additional revenue to be derived if the tax is extended to loose tobacco. We have that and I should have indicated we were looking at loose tobacco and cigarettes. I think if we can, we could go into all forms of tobacco maybe including snuff. I do not know.

THE CHAIRMAN (Mr. Stewart): Most of the older people I know we are raising money for all smoke so I guess we get all the money back from the people we are trying to help by the look of this approach. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, as I read the legislation and I did not open the ordinance until we started to debate this matter, it appears to me that what is currently taxed are cigarettes at eight twenty-fifths of one cent plus cigars. Of course, the tax varies from one cent a cigar to nine cents a cigar depending on the price of the cigar but there does not appear to be any tax today on either pipe tobacco or snuff. What the legislation proposes, of course, is an increase only with respect to cigarettes. If you are into twenty-fifths the difference seems to me to be about seventeen twenty-fifths and that, if you compare it to eight twenty-fifths is more than a 200 per cent increase all in one fell swoop on cigarettes. I guess the questions I have then are these: Firstly, from cigarettes only, forgetting cigars because that is what we are talking about, what is the tax we currently receive calculated at eight twenty-fifths and, secondly, what do we propose if we receive on cigarettes only at one cent? Thirdly, what is the proposed cost to us for the supplement that we plan to pay old age pensioners? The whole purpose obviously is to see what the difference is, if any.

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

#### Actual Revenue From Existing Tax

HON. ARNOLD McCALLUM: Mr. Chairman, the actual revenue derived from the existing tax on cigarettes 1975-76 was \$400,783. In 1976-77 it was \$405,382. In 1977-78, \$422,622. If we were to increase the tax at the proposed rate we would in 1977-78 derive \$1,320,693. Mr. Chairman, I would like to maybe just continue that for a moment. The current rate per 1000 cigarettes in the Northwest Territories as I have said is three dollars and 20 cents. The Canadian mean, as I indicated to you, was nine dollars and 60 cents. Our proposed rate is ten dollars per 1000.

There are four provinces that have a higher rate than our proposal and there are six provinces that have a lower rate than our proposed ten dollars. British Columbia and Saskatchewan are at that Canadian mean. The Yukon and Alberta are well below it. Manitoba is at the proposed ten dollars; New Brunswick, Nova Scotia and Prince Edward Island are lower; Ontario, Quebec and Newfoundland are higher. They go from three dollars and 20 cents, as does Alberta, to \$13.50 per 1000 in Newfoundland. Now, if we were to extend the tax to loose tobacco, based on actual 1977-78 loose tobacco imported into the Northwest Territories, if the tax was at two cents per half ounce, we would generate about \$6000. If the tax was at three cents per half ounce, we would generate about \$9000. The information required is reported by wholesalers and we would, following the suggestion of the standing committee, suggest or recommend a tax of three cents per half ounce on loose tobacco.

#### Amount Of Supplement For Senior Citizens Undecided

Mr. Chairman, the Member asked as well about the amount of money that would be required to supplement senior citizens. I do not think it has ever been decided by this House just what amount that would be. You will recall when we were talking about the hotel accommodation tax that we felt that had that tax gone through we would have been able to provide senior citizens with an additional \$25 to \$30 more per month. It would be very difficult for me to indicate to you now what amount we should generate because we are not agreed as to what amount we should increase the supplement, how much that supplementary benefit should be. However, if it were to be in the same ball park figure, then obviously, we would either not meet the Canadian mean tax rate and utilize more money because we have in the vicinity of 1000 senior citizens who are receiving guaranteed income supplement benefits and if you were to give \$25 or \$30 to each of those, then by simple mathematics you would then be able to determine that particular figure. I trust that that answers the Member's questions.

MR. CHAIRMAN (Mr. Stewart): Coffee is ready and it would seem that this debate is going to continue for some time, so we will recess for coffee. I have three speakers on the list, and Hon. David Searle, your name was the third one so you would not have been on before anyway.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): If our Minister will return to his battle station. Are you prepared to continue? Mr. Fraser, I noted that you wished to speak prior to coffee break.

MR. FRASER: Mr. Chairman, I think some of my questions were already put on the floor. However, when the supplementary benefits for the old aged, or senior citizens was discussed in the House, when we were talking about a \$30 increase per month, I just wondered if the Minister has calculated with this proposed tobacco tax if the bill did go through, how much of that would go to senior citizens as a supplementary benefit.

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

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

MR. FRASER: I wonder if the Minister could get that information for us and pass it on.

#### Proposed Tobacco Tax Benefits

HON. ARNOLD McCALLUM: Mr. Chairman, if we were to give \$30 per month to 1000 senior citizens, we are talking in the vicinity of \$350,000.

I think everyone has that paper now, and we know how much money we can generate with a one dollar and ten cents tax. We have to determine how much of that increase, of the revenue of one dollar and ten cents per 1000 should be to substantiate and make more realistic our present tax system, and then determine what we want to spend, or give for senior citizen benefits.

However, there is no point in my saying how much we should take from it. I can make a recommendation and the minute I do that I know what will happen, there are 11 other different answers which will come about. So, you see, I lead with my chin enough and I am not that good a Christian. I do not mind getting rapped on one side, but I will not turn my chin and get clobbered on the other. We know that if you were to give \$30 per month to the senior citizens, we know that that requires approximately \$350,000. I indicated to you that we could generate, actual revenue in 1977-78, at three dollars and twenty cents, \$422,622, but we are using that \$422,622 to pay for existing programs, not for anything additional, not for anything new. If you are going to put new money in, we are going to have to determine how much of that additional amount would be, and the additional increased revenue.

As it is indicated on page two of that sheet which has been passed out, it is \$845,244. That is the additional if we go to one dollar and ten cents, if we go the Canada mean tax rate, which would then be a tax of nine dollars and 60 cents per 1000. If we were to provide new revenue over and above the Canada mean, we would get \$52,827 more. Now, there is no sense in me indicating to you that that is the amount that we will give to senior citizens, I know what you will tell me to do with that.

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

#### Proposed Increased Revenue

HON. DAVID SEARLE: Mr. Chairman, we are presently receiving from tobacco tax, as indicated, \$422,622. You can forget about the tax on other tobaccos, cigars, because that will not change. The proposal is to increase to one cent for cigarettes which would give a yield of \$1,320,693, and the difference between that and what we receive is \$898,071, or call it for round figures, \$900,000, and that is what is proposed by way of increased revenue over the last year. Then, we are told to give \$25 per month times 1000 to old age pensioners times 12 months is an increase, and we give something around \$300,000 as the cost of benefits for old people. What I do not understand is what we are going to do with the other \$600,000; in other words, our increase in revenue is \$900,000 and we will spend \$300,000 on old people, and the difference is \$600,000. Presumably, that \$600,000 will be put in the kitty and used for other purposes, and that is the point Mr. Nickerson was making. If we are going to raise \$900,000 in additional revenue, let us pay the elderly \$75 a month. If you pay

them \$75 a month, then you would pay out the \$900,000 that you received. That makes sense to me. If you are only going to pay them \$25 a month or \$300,000, then let us raise only \$300,000. In other words, this started off, as I understand it, the purpose of this exercise was to subsidize completely, but solely, additional benefits to the elderly.

#### Additional Funds To The Government

Now, what has happened in this exercise is that the government has realized that they have been missing a good thing for a few years, and they could not only subsidize the elderly, but as well raise another \$600,000 for other undefined purposes. Well, maybe that is legitimate if they cut the fuel oil tax by \$600,000 or something like that, all right, but the way I see it, to go up to one cent and pay something less than \$75 per month per old person means that we are putting additional funds in the government's pockets. I, personally, am not prepared to do that. I am prepared to go along with what has been proposed, that the \$900,000 goes out to the elderly.

As to the other question of the loose tobacco tax, two cents a half ounce, or three cents a half ounce, giving you \$8900, that to my mind defeats the very thing we are trying to do. It is the loose tobacco, generally speaking, the roll-your-owns, the snuff and the pipe tobacco, in my experience, that elderly people would smoke. Even if they did not, then it will cost you, I think, \$8900 to raise that \$8900. So, my recommendation would be to forget that, go for an increase in cigarettes and cigarettes only, but depending upon how much money we need for the elderly, that should determine what the increase should be. I think that we almost have to look at that bill, or the other bill, or have it in committee at the same time as this one, Bill 16-65, the Senior Citizens Benefits Ordinance, before we can deal with this, because if we approve this little bill here at one cent per cigarette and you find that your benefits are only \$300,000 on the other hand, then you have put \$600,000 additional in the government's pocket. So, those are my comments.

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

#### Our Outgo Exceeds Our Income

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would just like to make it abundantly clear that the administration is in no way trying to fool the Legislature by indicating that the kind of increase we are talking about here would be dedicated only to the payment of benefits to the elderly. We have nothing to hide in that regard and that is why this kind of a discussion had to take place. It would have been beneficial to have had both the bills put into the same committee because they are clearly tied together and that is another subject on which the administration feels strongly. We recognize that these two things are tied together.

Mr. Chairman, this sort of discussion, I suppose, has taken place at each and every one of our sessions, and I suppose I have made the same remarks at almost every one. However, I do feel that I have to put this case forward again and I will put it as briefly as I can. The Honourable Member is right when he says that ordinarily one would wish to bring in a tax to pay for a specific requirement, but what we must not lose sight of is that we are not, as a government, in a break-even position. In the provinces, at least those provinces that are able to pay their own way, if they wish to increase a benefit, or change a program, then the only tax that they need to bring in is that tax necessary to pay for that program. However, in the North, of course, we are in very much of a deficit position. Our outgo exceeds our income by very very substantial amounts, and for reasons basically beyond the control of the people here because they do not have the economic flow at all for it to be otherwise and this is our perennial problem.

### Tax Rates Should Be Current With Inflation

We do authorize expenditures here and the costs of these programs inflate annually at a rate more or less equal to the rate of inflation in the country. It is the opinion of the Executive Committee that our incomes, that is, our taxation must inflate in roughly the same fashion because, if it does not, then when we are negotiating for our money, we really do not have a leg to stand on. It is simply not sufficient for us to say that our costs of a variety of programs have increased by, say, ten per cent and then to say that we have not kept pace with raising income in those areas that are available to us. We have a very narrow taxation base. There is nobody on the Executive Committee who has any stomach for raising more taxes. We do not like doing that, but we do not know how we can in conscience carry forward our negotiations with the federal government for increased program money if we do not show on our part the ability to keep our rates of taxation current with inflation and current with the rates of taxation in other areas.

The Minister had distributed to you the page or two that shows the taxes in other parts of the country and I think you will see quite clearly that except for the province of Alberta which I guess has to be the wealthiest province in Canada fortuitously, the other taxation rates in this field are very very substantially more than we have been following in the territories. So we feel the need to bring our rate of taxation along to a level which will be matched in some way with our rate of expenditures, still being in a very very deep deficit position.

The question was raised what would the extra money be used for? That is the kind of thing that we can answer I think quite readily because we have a number of very specific recommendations that are placed before us during and after every session. Just to pick one example, we were asked at this session to come in with a recommendation on providing adult education on site in the Keewatin and the Eastern Arctic. That is an extra cost. In fact we are going to be coming to you and agreeing with that recommendation. We will be agreeing because we recognize the truth of the suggestion that the people must have on-site training but that is going to cost us more money. Within our current fiscal framework we simply do not have that kind of extra operating money. I just use that as one example but I think there are a number of examples that could be cited. We could get very specific on what the extra tax money should or could be used for and certainly it would be at the direction of this House.

One of the problems is that we have not kept our rate of taxation current and so we are placed in this difficult position of coming to you and asking for such a very substantial increase in the rate. Perhaps we will have to ask you to consider a scheduling of that, introducing it more gradually. But I do ask you to consider the fact of the increase in our expenditures and the need for a similar increase in those taxation areas which are under our control. Thank you.

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

### Unfairness Of The Federal Government

MR. NICKERSON: Of course, Mr. Chairman, the great fallacy in the argument presented by the Deputy Commissioner is that it is grossly unfair of the federal government to prevent us from taxing those things that we should be taxing and then turn around and say you have to pay high taxes on liquor, you have to pay high taxes on cigarettes, you have to pay huge taxes on property. The federal government deliberately and with malice aforethought in my opinion prevented the construction of a pipeline down the Mackenzie Valley here, prevented the development of the oil and gas industry down the Mackenzie Valley. They are the type of things which would have generated revenue. So it is grossly unfair for them to insist that we provide everything for our citizens at a standard comparable to that in the South and yet they do not let us undertake those

developments which are going to provide the revenue. We could have had probably in a few years a uranium mine in Baker Lake. What do they do? They slap a damn land freeze on it. It is this sort of attitude on the part of the federal government I just can not understand at all. I have to agree wholeheartedly with what was said by Hon. David Searle, that what we have to look at here is the amount of money that we need for this specific purpose and put those specific taxes on to raise that revenue. I am afraid that I can not really buy the argument as presented by the Deputy Commissioner at all.

THE CHAIRMAN (Mr. Stewart): I think there was a little static on your microphone last time, Mr. Nickerson. I presume it was static. Hon. David Searle.

Higher Cost Of Living Premium

HON. DAVID SEARLE: The other fallacy in the argument as proposed by the Deputy Commissioner is that when we look at what people can pay in taxes we do not just look at what is charged elsewhere in Canada by way of taxes and keep bringing our rates up to that. We look at the matter of the net disposable income of our people who are paid the lowest, about a 25 per cent cost of living premium than what is paid anywhere else and in some cases a much much higher cost of living premium depending upon where you are in the Northwest Territories. There just is not anywhere where people pay the cost of power -- I should not say anywhere -- there are some outstanding examples, but they are few. What we pay to heat our homes over the years, in particular if you are in the private sector and not part of government. You know, we have to look at the net disposable income. This is why we have never agreed in 11 years I have been around here to a general sales tax because, Deputy Commissioner Parker's argument applies to specific taxes, it applies as well to a general sales tax. If we buy his argument, we should be supporting a general sales tax because that is in place everywhere else. The reason we have never gone for a general sales tax and always taxes specifically is because we know what the cost of living is here and that would be just making it more costly.

I think we should come back to putting on here a \$300,000 increase which has relation to the \$25 per month supplement or \$400,000 or \$450,000 which is in relation to a \$30 or a \$35 or a \$40 or even the whole \$900,000 if you want to pay \$75 a month, but let us relate it to what we want to pay. If the administration can come up with a list of other things they recommend that we can agree to, that is another matter, but let us have that kind of package before us. I suggest even the other bill should be in committee. After all, this is a one-liner. It looks simple enough but let us have the other bill into committee too, the Senior Citizens Benefits Ordinance and let us deal with them directly and connect them together. That is the way I submit we should proceed, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): General comments? Mr. Nickerson.

Motion To Study Tobacco Tax Ordinance And Senior Citizens Ordinance Together, Carried

MR. NICKERSON: Mr. Chairman, I suggest that we report progress with the recommendation that we come back into committee of the whole to study in addition to the Tobacco Tax Ordinance, the Senior Citizens Benefits Ordinance.

THE CHAIRMAN (Mr. Stewart): There is a motion on the floor. All those in favour? Opposed? The motion is carried.

---Carried

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 9-65, Tobacco Tax Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying Bill 9-65 and wishes to report progress.

MR. SPEAKER: Mr. Stewart, the motion contained in it as well a recommendation to go back to committee of the whole with Bill 16-65, did it not?

MR. STEWART: That is correct, Mr. Speaker. I am sorry, with that inclusion.

MR. SPEAKER: In that case the House will resolve into committee of the whole for continuing consideration of Bill 9-65, the Tobacco Tax Ordinance and as well at the same time Bill 16-65, Senior Citizens Benefits Ordinance, with Mr. Stewart in the chair.

--- Legislative Assembly resolved into committee of the whole for consideration of Bill 9-65, Tobacco Tax Ordinance, and Bill 16-65, Senior Citizens Benefits Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 9-65, TOBACCO TAX ORDINANCE, AND BILL 16-65, SENIOR CITIZENS BENEFITS ORDINANCE

THE CHAIRMAN (Mr. Stewart): Gentlemen, I must admit I have enough trouble trying to keep one bill in line and now I have two. This ought to be really worthwhile watching for a while I am sure. I am not even sure it is in the Rules we can do this, but I presume that we can. The committee will come to order to study Bill 9-65 and Bill 16-65. We had general comments on Bill 9-65. Is it the committee's wish now to go to general comments on Bill 16-65?

---Agreed

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, could I just beg your indulgence for one very brief comment on the last one? It is really in answer to a point that was made.

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

DEPUTY COMMISSIONER PARKER: Thank you. I just would not like to leave it on the record that I considered the following through of my train of discussion would lead to a general sales tax. My work in the legislature and in the administration has been aimed at walking a tightrope between raising those revenues that we think that we can raise and not being placed in the position of raising revenues that are unreasonable for us to be raising. I am on record in our intergovernmental committee as having opposed, and I feel successfully, a general sales tax for the very reason that the Members have put forward.

THE CHAIRMAN (Mr. Stewart): Thank you, Deputy Commissioner Parker. Any comments of a general nature on Bill 16-65? Mr. Lyall, have you any comments from your committee on Bill 16-65?

MR. LYALL: Mr. Chairman, the committee did not review Bill 16-65, An Ordinance Respecting Senior Citizens Benefits, as it had done so prior to the 64th session.

THE CHAIRMAN (Mr. Stewart): Thank you. The Minister responsible for the bill, have you any comments?

HON. ARNOLD McCALLUM: Mr. Chairman, none specifically. I think that all Members are aware of the proposal. It is an attempt to do as the House has instructed us. I have nothing specific to say to it or about it.

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



A Universal Supplemental Benefit.

HON. DAVID SEARLE: Mr. Chairman, I am looking at the bill and it appears to me, and by way of general comment the way we left this we opposed a means test or any qualifications. What we foresaw was a supplemental benefit to each and every person who reached the age of 65 years. In other words, if there are 1000 in the territories receiving benefits to the elderly then there would be 1000 people receiving this benefit and it would have nothing to do with your means or other income or anything else, it would be universal in nature in other words. Now, my first question, Mr. Chairman, is whether or not this ordinance as written proposes a benefit that would be universal in nature.

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

HON. ARNOLD McCALLUM: Mr. Chairman, the ordinance as proposed is for those citizens who are getting the GIS, guaranteed income supplement or spouse allowance, the spouse allowance in full or in part.

HON. DAVID SEARLE: So it is not the intention that this be universal, is that the response?

HON. ARNOLD McCALLUM: That is correct.

HON. DAVID SEARLE: So you would have to pass the means test of the federal government in getting the supplemental allowance.

HON. ARNOLD McCALLUM: That is correct.

HON. DAVID SEARLE: The figure that the Minister gave us of 1000 persons was he then referring to 1000 persons, approximately, who are in that special category or was he referring to 1000 persons being the total number receiving old age pensions?

THE CHAIRMAN (Mr. Stewart): They are having difficulty picking you up, Hon. David Searle. Could you get a little bit closer to your mike?

HON. DAVID SEARLE: When we used the figure earlier on the other bill in our discussions of approximately 1000 persons I took that to be 1000 persons receiving old age pension benefits, not 1000 persons receiving the supplemental or the spouse's allowance benefits. In other words, I took that to be the total number of persons, not the lesser number receiving the additional benefits, if you follow me. Now, was I in error?

HON. ARNOLD McCALLUM: Mr. Chairman, there are, as of April 1978, this year, 1191 senior citizens OAS, old age security recipients. There are 976 GIS, guaranteed income supplement and spouse allowance recipients only. When I referred to 1000 I was referring to the latter. Had I referred to all recipients I would have said approximately 1200.

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

HON. DAVID SEARLE: I see the difference to be 120 people.

HON. ARNOLD McCALLUM: The difference, Mr. Chairman, between 1191 and 976 I think would be 215 or thereabouts.

A Universal Scheme

HON. DAVID SEARLE: It is so picayune that I am surprised we are concerning ourselves with it in number. Maybe I am in error, Mr. Chairman, but I understood the position of this Assembly when we last discussed it was that the Executive was to come back with a scheme which was universal in nature and that was the very guts of it, and am I not correct in that? Am I in error on that? Could I have a response from the House?

THE CHAIRMAN (Mr. Stewart): My recollection is that that was the instruction of the House.

HON. DAVID SEARLE: That being so in view of this exercise in responsive government, what could possibly have been the reason for the Executive to alter the direction which they had from this House and to come back with a scheme which was specifically considered and rejected?

HON. ARNOLD McCALLUM: Mr. Chairman, if we were to give the \$25 a month to all OAS people we would know how much approximately that would cost us. We can not come up with a scheme for the various reasons that have been talked about and have been said over the past two or three sessions of this House with relation to this particular kind of bill. The situation as it is now we can not come up with a scheme which would take in all 1191 senior citizens, or those getting the old age supplement. We can not because of the difficulty with the federal government. I am not saying anything new, Members know that and we are saying that we can apply it to approximately 975 of these people.

Now, granted there are another 215, and I do not want to argue about the pettiness, if you like, of the additional number of people, it does not really mean that much and in effect it would cost maybe \$60,000 more to give it to everybody but under the restrictions of the federal government in relation to the granting of old age funds to people over 65 and our giving an income supplement to people who require it, we can not come up with a scheme that will meet or be approved, such legislation, by the federal government. Now, it comes down to this I guess. Do we not do it at all and nobody gets anything or do we give it to at least 975 and then look for some other means in some other particular way to give relief to the 215 people and hope to do more for them in terms of benefits?

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

#### A Cost Of Living Bonus

HON. DAVID SEARLE: I can not believe that that is the case. We are fighting for this thing 100 per cent and it is one thing if we look at federal contributions but we are not. We are raising additional taxes, in fact times three to fund it, by the looks of it and am I to sit here and understand that if we raise an additional \$900,000 net that we can not spend \$300,000 of it on a universal basis? For pity's sake let us use our brains to get around this scheme.

The Alberta government years ago gave a \$25 dividend to each and every resident. Why do we not give a \$25 dividend to each and every resident each and every month over 65 years of age? Surely with the genius that is sitting here on staff, if we can not do it one way let us do it another way. I mean this is absolutely ridiculous and as far as I am concerned, unacceptable. It is a cost of living bonus. It has nothing to do with means.

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

#### A Pension Scheme Not A Welfare Scheme Wanted

MR. NICKERSON: My comments are in support of those of Hon. David Searle. On many, many previous occasions when we have discussed this idea we have said that we wanted a pension scheme, a pension, we do not want a welfare scheme. There is enough welfare around right now. Why should we discourage people from putting aside moneys or other things to look after themselves in their old age, why should we actively discourage them from doing that by saying "You can not get the supplement unless you can show us the holes in your pants" kind of thing. There has got to be a method of being able to put this into action, there just has to be.

I have spoken privately with people in the legal business and they tell me that in their opinion the wording of any legislation or regulation can be done in such a way that it does not conflict with federal legislation and regulation. I am sure there is a way that this can be done. I just do not think that the Executive have done their best to try and come up with the kind of plan which we asked them to. I certainly do not think we have really put proper effort into it at all. I am very disappointed that the bill has come back to us in this form. I had hoped that for once the Executive would have tried to attempt to carry out the wishes of the Legislature. I am sure that if the Executive do try they will be able to present before us a scheme that would be workable and which would in fact be a pension scheme and not a welfare scheme.

THE CHAIRMAN (Mr. Stewart): Hon. Tom Butters. Any comments of a general nature?

The Universal Approach

HON. TOM BUTTERS: Mr. Chairman, I was one of those at the previous session, the last session who supported the concept of the universality of this type of a benefit. I was also a Member of the Council in 1973 at Frobisher Bay that requested that such a benefit be developed. Hon. David Searle was also a Member of that Council. Since 1973 five years have gone by. Not only have we had the talents of this body but also the talents of the previous Council on which Hon. David Searle was a Member. Last year we also had applying himself to this problem the talents of the Honourable Member from Yellowknife North, at that time the Honourable Minister for Social Development who applied himself for a period of a year to resolving this problem and he was unable apparently to come to grips with it and resolve it. I, like Hon. David Searle, over the past five years and the Honourable Member from Yellowknife North had hoped that it would not become a ridiculous situation and that some solution could be arrived at. In so doing I supported Mr. Nickerson's motion for the universality approach.

It would appear to me that, as the Honourable Minister has indicated to us, at the present time the federal government will not permit us to provide such pension benefits using a universal approach. My feeling is that we have laboured five years in the vineyards and developed nothing, not even a mouse. I think it would be a terrible shame if this body dissolved in a year, or ten months from now and not see at least 986 getting supplementary pension benefits. These people as Mr. Evaluarjuk said in the main are in the small communities. These are the people who are paying three times probably the amount for food that the Members from Yellowknife are required to pay. These people in the main are the people we are seeking to assist. Government surely is the art of the possible and if universality in this case is ridiculous and impossible then I think we should take the realistic approach and the pragmatic approach and develop benefits for those who most need them as we are entitled to under our legislation and ensure that they receive these benefits as soon as possible.

Ensuring That Some Benefit

Five years ago we were seeking to provide supplementary benefits and we were unsuccessful. We have before us at this time a bill which will provide those benefits to almost 1000 people. As I say, I voted for the universality approach, but to ensure that some people benefit I am going to support the concept contained in this legislation. I agree with the Honourable Member from Yellowknife South, that \$25 is a drop in the bucket and I do not see anything in here that says otherwise, but I would hope that the full amount of the tax be utilized and allocated for the purpose of supplementary old age benefits. Certainly, \$75 in Grise Fiord, Whale Cove, Gjoa Haven, Resolute Bay, Pangnirtung, Fort Good Hope, is not a great deal of money to be paid to old age pensioners. The cost of living in these communities, we all know, is exorbitantly high. I think if we do not do anything about this, and leave this unpassed, and reject it, then we are doing a very great disservice to almost 1000 people for whom there is a real need.

THE CHAIRMAN (Mr. Stewart): Mr. Lyall, comments of a general nature?

MR. LYALL: Mr. Chairman, in the last committee meeting that we had during the last Legislative Assembly session, we returned to the administration for policy re-examination and for redrafting as appropriate. The committee would not accept the bill as presented by the administration because there were provisions for payment of old age pension benefits subject to a means test, rather than a universal senior citizens' benefit as recommended by this Legislature. So, I think I agree wholeheartedly with what Hon. Tom Butters was speaking about just a little while ago. In discussion of the bill, the committee was advised that the federal government disagreed strongly with the Assembly's position in support of a universal old age pension benefit.

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

### A Matter Of Principle

HON. DAVID SEARLE: Mr. Chairman, I would not want, as a result of hearing Hon. Tom Butter's remarks, to be misinterpreted. I am not suggesting that this bill be defeated, I am suggesting that we send the bill back to be redrafted so that it comes back in the form of a universal bill for benefits to be paid universally. I then suggest we enact it and see if the Minister who has the power of disallowance really is prepared on an issue like this to exercise that power. I find it, at this particular time when we are talking about a federal election -- I do not think he would have the courage to take \$25, or \$50, or \$75 a month from each of about 250 old age pensioners. I think our chances and our timing are excellent that they will let this bill go through, and I think we just have to have the courage to do it. If he were to do that, if he were to disallow it, we have been at this for five years, and then maybe in October we will realize that that has happened and we come back and put this bill in, but it is only going to be a matter of a few months until we can put this one back in if our other bill were disallowed.

I think there are times when we have to have the courage to stand up on a matter of principle, and the principle, I think, that we all agree with is that it is a pension benefit, not a welfare scheme, and it is something that all old age pensioners who all have to pay a higher cost of living should be in receipt of. I think we all firmly believe it. I am just suggesting we have the courage, because we have never done this to the Minister. He has come along and said, "disallow, disallow, disallow," and to the Commissioner, "do not put it forward". The Commissioner has put it forward. It is a government bill. We can in committee of the whole make amendments and they are faced on third reading, clearly, with a decision -- the Minister can try, as some ministers have, hiding under the Commissioner's skirts and instructing him not to assent, but we have had opinions on that in the past, that constitutionally he can not properly do that.

### The Best Interests Of The People

The only thing then left is for the Minister to come charging out of the bul-rushes and within two years disallow the legislation. Is he going to disallow it if pension benefits have been paid for a year and a half? I honestly do not think he will have the courage to disallow this bill, gentlemen. I just ask you to have the courage to send it back and pass it in the form we know is in the best interests of the people of the North. That is all I am going to say about it.

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. David Searle. Mr. Lafferty, comments of a general nature.

MR. LAFFERTY: Mr. Chairman, I would agree with most of the comments that I have heard, but there is a matter of principle involved. The principles of this House that I hold dearly, because one of the things that I do know is that the representatives of the people who are sitting here making the ordinance before us are accountable to their electors and this is something that we must keep in mind and the administration must keep in mind.

The principle that I think of is that this House has clearly advised the administration to come forward with a bill, which to my recollection was that the senior citizen's assistance that we were looking at would be universal. Whether I agree with the federal practices or any actions being taken in this House, or any other House, or at any public level because of the coming election is another matter. We have already clearly said some months ago that this is the direction we want our administration to go. These have not been carried out, we are told, because the federal legislators will not let us. I do not wish to see this bill before us defeated. No doubt there has been a lot of time and effort put into it and in consideration of the majority of the people in the North, again who are native people, some of them are taxpayers and some are not, some of them can afford nothing and they do need the assistance. Weighing the majority of the senior citizens' predicaments in the Northwest Territories, I have no choice, setting aside my interest, but to go along with what is best. I would be inclined to go along with the comments of Hon. Tom Butters because clearly in my mind I do know that there is a need.

An Absolute Need

However, on other points raised by Hon. David Searle, it is clear that the administration did not follow the advice of this House. There are times, in my opinion, that we have to be a little hard when it comes down to a case of absolute need and I think the assistance that may come forth to our senior citizens is an absolute need. There are no buts or no arguments in my mind. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lafferty. Mr. Fraser, comments of a general nature.

MR. FRASER: Mr. Chairman, I have a couple of questions I would like to put before the administration. It is quite clear in my mind that at the last session we requested the bill be returned to the Executive for universal payment for all senior citizens.

THE CHAIRMAN (Mr. Stewart): Get a little closer to the mike, Mr. Fraser.

MR. FRASER: Is there any reason why the Executive did not come back with this bill that was to be universal for all senior citizens? Maybe they have a reason. I do not know what reason there is, but they could have a reason. My personal feeling is that this bill should go through. We have been dealing with it, like Mr. Butters said, for five years. If there is any way possible, or any reason why the bill was not brought back with the necessary changes that the House requested, maybe there is a reason and I would like to know.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Fraser. I believe the Minister has given you the reason. I will ask him to give it again.

Acceptable To The Federal Government

HON. ARNOLD McCALLUM: Mr. Chairman, I recognize and appreciate the fact that this House advised -- or recommended -- I forget the terminology that was used -- the administration to come back with a bill that accepted the concept of universality for this kind of supplementary benefit. As well, I recognize the concept that Mr. Nickerson places, that we want an increased pension, not additional welfare. Taking into account the advice that we had, that the administration had from this House, and sitting down as an Executive and discussing this through, we came to the decision that we could not come up with a bill that would be acceptable to the federal government. Only for that particular reason we did not come back. If, as has been indicated, you want us to come back with a bill with that section in again and then go through the process of passing it, fine, but it was our opinion, whether you agree or disagree, our opinion that we did not stand much of a chance of getting it through. You know, we get advice to do these things, of that there is no question, but it comes down again to the Executive body making a decision based on what they think. I appreciate the advice that we had from people on what we should be doing, but I think it is reciprocal to a certain degree that you must appreciate that we come to some kind of decision. Lots of times they do not come together. However if it is the wish of this House now to either amend what is there or to come back, we can come back in a day or two with a bill, go through it, pass it in committee of the whole and we will fly it by.

SOME HON. MEMBERS: Hear, hear!

Responsibility Of The Executive Member

HON. ARNOLD McCALLUM: It must be said on behalf of the Executive that we are not trying to do something against the wishes of the House. I recognize where I am now of the Executive and that is through the good graces of you people and my responsibility is to make sure that I utilize the advice that I get from this House in general in discharging the responsibility you have given me. You must recognize as well that when I get that kind of advice or anybody else gets that kind of advice that it comes down to a particular decision amongst a group of people. I do not expect to bat a thousand at the Executive and if I could bat a thousand, if I could I would not be here but somewhere else. We are not against what this House has been saying. I do not like to be in the position of being the bad guy all the time, I am not that bad a guy.

---Laughter

I am not that good a guy, but I am not that bad. In this kind of Assembly that we have it comes down to an individual Member, especially the guy whose tail the can is tied to in getting a bill through and I think that is the way it should be. If I can not accept that then I should not be where I am but I do not mind that kind of responsibility, in fact I asked for it if you recall. So, I accept it. However, we are operating in a system right now and have been for the last three years where every time one of the Executive Members introduces a bill he becomes the government and 14 other people become the opposition. I do not know any other legislature that operates on that kind of principle where the opposition outnumbered the government.

I am perfectly prepared to come back in a day or two with something that is drawn up. We can run it through, you can look at it in committee of the whole and change it where you want to and look for third reading, try to get assent to it and if we do get to assent to it, we can fly it by, I think that is the terminology now, fly it by if it fits. If that is what you want, I will tell you here and now we are prepared to come back in the next day or so, today is Wednesday but say, Friday, with a bill that shows this.

SOME HON. MEMBERS: Hear, hear!

---Applause

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

MR. FRASER: Mr. Chairman, I think we have stirred up a little bit with the Minister there but I still am a little bit confused when he says that he had to present a bill that would be acceptable to the feds. I can not seem to get it straight, maybe I am not on the ball, but we are talking about a cigarette tax in the Northwest Territories which will raise funds up to the amount of \$900,000 and if I understand right we are raising this tax in the Northwest Territories and we have a Legislative Assembly here in the Northwest Territories who are the only body elected and why do we have to worry about what the feds think we are going to do with that tax money we collect?

Legislation To Be Approved By Federal Government

HON. ARNOLD McCALLUM: Mr. Chairman, Members must know by now that legislation that we pass here has to be approved by the federal government. Not all tax legislation, not all legislation but certain parts of legislation we pass does not have to, but where we have the responsibility in certain areas to raise taxes, we have that authority. Where we spend money or expend money for additional programs the administration has to argue that point at inter-governmental committee meetings for funding, for deficit funding. Our legislation goes through I think -- the Legal Advisor can correct me but I think it is in

terms of six months or even less than that where it has to go down and get approval at the federal level. We felt that we could not get the approval for this to come through with it and rather be in a position where assent would be refused on it we felt this was a compromise of what was wanted. Nine-twelfths or three-quarters of the people, of senior citizens would benefit. However, there is not much sense in my adding any more. I am as frustrated as most people are.

THE CHAIRMAN (Mr. Stewart): I wonder if the Chair can ask a question. The Minister has made the point that he is pleased to bring back a bill but I assume that would be on the agreement of the Executive and if you do not have that agreement, I do not think you can bring back another money bill, could you?

HON. ARNOLD McCALLUM: Mr. Chairman, I would suggest to you that we could get Executive approval.

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

MR. NICKERSON: I would hope that the Minister was not implying any personal criticism either at himself or at the other members of the Executive. I understand the difficult position they find themselves in and I can understand the Executive deciding to come to us with a welfare scheme rather than a pension scheme, although we had asked for the latter. They have to work very closely with the federal authority and undoubtedly they were doing something which the federal authorities might not necessarily want to go along with. From what I read into the comments of the various Ministers is if this committee is insistent in wanting a proper pension scheme the Executive are quite prepared to go back, draft up, make the necessary drafting amendments to the bill and bring it back to us. I think that they probably acted wisely and I am very pleased with this undertaking on their behalf.

Motion To Amend Bill 16-65 To Include Universal Application

In order to get matters to a head I would formally move that this committee recommend to the administration redrafting of the bill in order to make it a scheme of universal application, or to amend.

THE CHAIRMAN (Mr. Stewart): I have a motion on the floor to amend Bill 16-65 by the administration so that the benefits would be universal by application. Is that the essence of the motion? To the motion.

SOME HON. MEMBERS: The question.

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

MR. WHITFORD: Mr. Chairman, the Minister was saying earlier in some of his statements that if this kind of legislation has to be approved it must go to Ottawa first and come back and it would take something like six months. That is what he said. Now, if we vote on this motion we are assured that the contacts would have been made on everything, is that correct?

HON. ARNOLD McCALLUM: No. No, Mr. Chairman, that is not correct. We say we would come in with an amended bill as directed by this motion.

THE CHAIRMAN (Mr. Stewart): Hon. Tom Butters, I have your name next.

HON. ARNOLD McCALLUM: I already know the answer to the first part.

Attempted Four Years Ago.

HON. TOM BUTTERS: I will vote against the motion because I am afraid we are doing what occurred in the previous House. This is not the first time we have been along this road as Hon. David Searle well knows. As I mentioned, and I am going by recollection, but the motion was raised at Frobisher Bay in the fall session, it was amended by Hon. David Searle to make the benefit amount \$50 which improved it because a specified amount was designated. It was accepted by the administration to the extent that a year later or about ten months later the Department of Information for this government, released a press release saying that legislation was being developed to produce, or to put into effect such a benefit. I recall meeting the Commissioner at our fall session at that time which was to be held in Inuvik, and I can recall meeting the Commissioner at the Inuvik airport and that he reached into his pocket and he brought out a telegram and said "We will be unable to put that legislation forward", and he showed me the wire. A few days later I attempted to introduce a Private Member's Bill which at that time the Commissioner ruled out of order. I attempted through other legal means to force the Commissioner to institute such legislation. The result was that the seventh House died with no pension allowance available to elderly northern people. That was four years ago.

I am afraid that this exercise which we are involved in now will see the same thing occur. Maybe Hon. David Searle is right, maybe he is correct. Maybe the principle, the universality principle should apply here but it is not my courage nor my principle, I am not the one who will starve or go hungry if the money is not made available. It is not me who will suffer. I do not want to risk somebody else's hunger, somebody else's well-being on a political ploy to attempt to force Ottawa during an election year to put this thing through. Maybe they will do it, but I do not want to take that risk, I would rather see 1000 people get a supplementary benefit than see no benefit paid. We have waited five years and I think that is five years too long.

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

No One Will Starve

HON. DAVID SEARLE: No one will starve if there is indeed welfare who will look after you and that is what we are trying to change, from that scheme to a proper pension scheme. What I have indicated is if the bill is passed by us and the Executive have come around in the words of the Minister who is responsible and they are quite prepared to redraft it, if it is what we want and we indicated previously that it is, and they are prepared to put it forward as a universal thing then we can give it third reading and what you are left with is putting the Minister presumably in the position not of having to approve it but to disallow it. I think we should do at least that and I think the Executive are prepared to see us take that risk. What I can not understand is why that message is not getting through to Hon. Tom Butters who is part of that group, or at least that is what I hear Hon. Arnold McCallum saying.

Even if it is disallowed, no one will starve between now and October when the same bill in the same form can be put back and we can say "Okay, the other one is disallowed so let us go..." but I suggest that perhaps we are giving in a little too easily. There is not even to my knowledge anything from the Minister saying to the Executive "Mr. Commissioner, decline assent or if you do not decline assent I will disallow it." I mean we are not mice, let us pass the bill in the form we want and then let the Minister take a public position that he has to answer to the electorate for. That is if you are satisfied you are right. Make him answer and then if you feel like it, put the bill back in in October and at least we can get to 75 per cent of the people and get them covered but surely it is worth a try.



THE CHAIRMAN (Mr. Stewart): Mr. Fraser, to the motion.

Length Of Waiting Time

MR. FRASER: Mr. Chairman, I am just a little bit leery whether to vote for or against the motion. I am all for the bill I think but the senior citizens have waited long enough and I am just a little bit leery as to if the bill goes back to the administration for amendment whether we would have the time or they would have the time, and we would have the time to deal with this bill at this session. If they can assure us of that, again my question is if the bill was not passed by the federal government how long will we have to wait again to change this bill? That is something I am not clear enough on and I would not like to see it knocked down and then have to wait a year or two to bring it up again. I wonder if they could just clarify that for us?

THE CHAIRMAN (Mr. Stewart): Mr. Fraser, I am sure they can not clarify that question. That is their argument. Mr. Whitford is next on the list.

MR. WHITFORD: Well, Mr. Chairman, I was going to say exactly that, what Mr. Fraser just said. I thought that the Minister had not completed the statement when he said "I already know the answer" and I was wondering what he was referring to.

Federal Government May Disapprove

HON. ARNOLD McCALLUM: Mr. Chairman, when I made the statement "I already know the answer to the first part," I believe I know the answer in my own mind to the question the Member raised as to whether the federal government will allow it or not. It is my belief that they will not. So there is not much sense going at them again. I think we would be able to -- I want to be very careful -- I think that we would be able to get approval to come back with an amended one on Friday. To determine when we would know whether it is going to be allowed or disallowed, that may very well be after prorogation of this House or recessing it. If we get an answer before October, then you would do as Hon. David Searle has indicated. We would come back in the fall session with the bill as it is now, without amendment. So I would say we will hopefully try to come back on Friday with an amended bill to take in the universality aspect on Friday of this week, two days hence. I do not know when we would know whether the federal government have approved or disapproved of it. We may know when we recess. If the answer is in the negative, we would come back in the fall session with a bill identical to the one we have now.

THE CHAIRMAN (Mr. Stewart): Is there anyone who has not spoken to this motion on the floor who would like to at this time? Hon. Peter Ernerk.

The Assembly Must Act Now

HON. PETER ERNERK: Mr. Chairman, I do not want to let this opportunity to go by without saying a few words with regard to this particular bill. I realize that both of the Members from Yellowknife North and particularly Yellowknife South are not particularly with this piece of legislation and that is their right. However, I would like to take the comments of Hon. Tom Butters very seriously because I for one for the past six to eight months now have been trying to do a number of things in terms of economic development and that is the sealskin industry.

This particular bill may not have a direct similarity to the sealskin industry but the real fact of the matter is that a number of people in the Northwest Territories, especially in the Arctic coastal communities, are the older people who depend on the wages for income from the sealskin market. Some of these people are the older people who would benefit from this particular bill, from this particular piece of legislation. So I think we have to think about what possibilities there might be in the future. I think we have to think about them, although they may be a very small number, along with the others from

the Mackenzie, along with the others from the whole of the Northwest Territories who might enjoy receiving supplementary income as a result of this, this passage. Let me rephrase that. I do not want to think too much about the upcoming election at this point because there are so many speculations as to when the election will be but I think this House, if we want to be responsible to the people we serve, I think we have to act. I think we have to get some action going. I do not know if this is relevant to the motion that was made but I wanted to get those few remarks out of myself.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Steen, you have not spoken to the motion yet.

No Other Source Of Funds

MR. STEEN: Thank you, Mr. Chairman. I think I will have to go along with Hon. Tom Butters. After listening to the debates on both sides I realize the point that Hon. David Searle has brought up is a very important one and that it should not be disregarded. The thing is that from what I have been watching on television, as Hon. Peter Ernerk just mentioned, no one knows for sure whether or not there is going to be an election. Maybe there will not be an election for another year and put in those terms we may lose the bill. If we set it aside and the feds decide there is not going to be another election, then we have really no ammunition to try to get funds in a different way. I think that on those terms, not just because I am getting old and may come under the same category, but I still think that what Hon. Tom Butters has said is very important, that we have to take care of the older people. We have been working on this bill for such a long time that now that we have a chance to act on it we should do so.

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

Old Age Pensioners Are Not Getting Enough

MR. KILABUK: Mr. Chairman, I have been listening to the comments. Here in the North it is impossible to have any employment and also the old age pensioners I know right now they are not getting enough. When we did not receive any pensions before, right now they are getting some pensions because it is impossible to live and buy food when you do not have any money. The children of the older people when they are making money have to look after their parents. We have to help them out with money all the time right now. What we are talking about, the bill we are talking about right now I believe in it wholeheartedly and I would like the idea of this bill. I support it fully even though we do not have it in Inuktitut, but I understand it quite fully from the way you are talking about it. Right now up to today I help out my friends a lot with money since they are used to being helped this way whenever anyone has any money.

Also there are people who have children that go out, a lot of older children, people give it to the younger people so they can go out hunting for jobs and food. I feel that they should think about them and we should fully support the older people. I feel we should do it right now and think about it because of the inflation. Those are my comments on that bill. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Kilabuk. Do any other Members of the committee wish to speak at this time to the motion? Hon. Tom Butters, you indicated you wished to speak.

### Danger Of Losing The Pension Supplement.

HON. TOM BUTTERS: Mr. Chairman, I am not familiar with the mysteries of how legislation may be handled when it gets to Ottawa. I understand that the Minister has a two year period in which to disallow legislation. If that is correct, obviously bringing it in in October would be impossible. My understanding was that before I went to the Executive Committee, feeling much the same way as the majority of the Members at the last session, that we should seek universality in the pension supplement. When I heard the arguments at the Executive Committee I was convinced that maybe this was impossible and we should seek what we could get and what was permissible. On that basis I agreed that I would support the legislation that has been placed before us today and which we are now debating. I have done that as a Member of the Executive Committee. In voting against this motion I will be voting as a Member of this House because I believe that the action we are taking is wrong and I think we are in very great danger of losing the pension supplement. This is only a personal belief. However, I assure the House that if the motion passes, I will, on the Executive Committee, when it is debated support the universality concept as requested by the House.

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

Ruled On By Ottawa

MR. NICKERSON: Despite, Mr. Chairman, the things I sometimes say about members of the Executive I think really they are doing their best to come up with legislation along the lines that we suggest. I am sure that most of them, if not all of the members of the Executive, know in their own minds that a universal scheme would be best. I do not think that any members of the Executive Committee really want a welfare scheme when we could have a pension scheme. What we must understand though is that before the administration can come forward with a bill, and this is a money bill and only the administration can introduce such legislation, it has to be ruled on first of all by Ottawa. Ottawa undoubtedly will not give permission to the administration to introduce a universal scheme, so the only option available to the Executive is to place before us a welfare scheme.

The Executive has said, the Minister on behalf of the Executive has said that if the direction of this committee is that the bill should be amended to make it to include the concept of universality, they are quite prepared to do that and do it shortly, do it within a matter of one or two days and bring it back before this committee. If we take that course of action, if we recommend that we go to the affirmative on the motion before the committee at the present time, if we take that course of action and the subsequent amendments are passed and the bill becomes law, given third reading and given assent, the only thing we are really risking at all is that the Minister would disallow it.

In my own mind I do not think the Minister would take that course of action. It is a very serious thing for him to do. He has not disallowed one bill during the present Legislature. I do not know if he has disallowed any of the previous Legislature's bills. It is a very very serious thing for him to do and I can not see him doing it in a case where public opinion would be completely 100 per cent behind us. He would be doing himself a great disservice and putting himself into disfavour in the eyes of all the people of the Northwest Territories. The amount of money involved is minimal, it is money that is to be raised 100 per cent in the Northwest Territories by this Legislature. It is a very important principle involved and I see very very little chance of the Minister going against public opinion and disallowing the legislation.

### The Risk Of Four Months Delay

Now, immediately this is given third reading and given assent, it becomes law, and it will undoubtedly be put into effect. So, unless the Minister disallows it almost immediately and it becomes standard procedure throughout the Northwest Territories for old age pensioners, all old age pensioners, and not

just some, to receive the supplementary benefits, and the longer that goes on the more difficult it would be for the Minister to disallow it. So, unless he disallows it almost immediately, there is an ever-decreasing likelihood that he would do it after that period of time.

Now, the biggest thing we are risking, I guess, and to my way of thinking it is not a big risk, is that the bill will be disallowed almost immediately and it will be a period of four months we will have to wait, June, July, August and September, and then come back in October and pass the bill in its original form here, if that is what we want to do at that time. So, that is the biggest risk, the biggest risk is the additional four months delay. I think, in order to get across this very important principle, it is worthwhile taking that minimal risk.

HON. DAVID SEARLE: Hear, hear!

THE CHAIRMAN (Mr. Stewart): Thank you. Is there anyone who has not spoken who wishes to speak to the question on the floor?

SOME HON. MEMBERS: Question.

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

MR. STEEN: Mr. Chairman, I would like to ask one small question of the Minister. How long would a person have to be in the territories before they would become eligible for that kind of supplement?

THE CHAIRMAN (Mr. Stewart): Mr. Minister, did you get the question?

HON. ARNOLD McCALLUM: I have been advised that it would be, likely, immediately, or at the most six months.

THE CHAIRMAN (Mr. Stewart): The motion, as I have it, is to amend Bill 16-65, so that universal application of the senior citizens benefits would become effective.

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Stewart): The question being called. Mr. Clerk, would you help me? All those in favour of the motion. Mr. Steen.

MR. STEEN: I did not hear you read the motion. Before I can vote I would like to have it repeated, please.

THE CHAIRMAN (Mr. Stewart): The motion was made by Mr. Nickerson, that Bill 16-65 should be amended so that the universal application of the senior citizens benefits would become effective.

MR. STEEN: Thank you.

Motion To Amend Bill 16-65 To Include Universal Application, Defeated

THE CHAIRMAN (Mr. Stewart): Are you ready for the question? All those in favour of the motion? Two. Opposed? Seven. The motion has been defeated.

---Defeated

The hour is nigh on 6:00 o'clock. Shall I report progress?

HON. DAVID SEARLE: That is the wrong word.

THE CHAIRMAN (Mr. Stewart): Shall I report progress?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 9-65, Tobacco Tax Ordinance, and Bill 16-65, Senior Citizens Benefits Ordinance

MR. STEWART: Mr. Speaker, your committee has been in committee studying Bill 9-65, and Bill 16-65, and at this time wishes to report progress.

MR. SPEAKER: Are there any announcements, Mr. Clerk?

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

MR. SPEAKER: Orders of the day.

ITEM NO. 15: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day, May 11, 1978, 1:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Replies to Commissioner's Address
3. Questions and Returns
4. Oral Questions
5. Petitions
6. Reports of Standing and Special Committees
7. Notices of Motion for First Reading of Bills: Bills 7-65 and 18-65
8. Notices of Motion
9. Motions for the Production of Papers
10. Motions
11. Tabling of Documents
12. Introduction of Bills for First Reading: Bills 7-65, 11-65 and 18-65
13. Second Reading of Bills: Bills 7-65, 11-65, 14-65 and 18-65
14. Third Reading of Bills: Bills 5-65, and 15-65
15. Assent to Bills: Bills 5-65 and 15-65
16. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 9-65, 16-65, 10-65, 11-65, 2-65, 4-65, 7-65 and 14-65, Information Item 2-65
17. Orders of the Day

MR. SPEAKER: This House stands adjourned until 1:00 o'clock p.m., May 11, 1978, at the Explorer Hotel.

---ADJOURNMENT

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