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

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YELLOWKNIFE, NORTHWEST TERRITORIES

TUESDAY, MAY 16, 1978

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

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

ITEM NO. 2: QUESTIONS AND RETURNS

Are there any returns? Deputy Commissioner Parker.

Return To Question W25-65: Use Of Helicopters, Forestry Department.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, on Monday, May 15, Mr. Nickerson asked Question W25-65 concerning the policy of forestry officials in the Northwest Territories with respect to hiring locally based charter helicopter companies.

Aircraft requirements for the Northwest Territories forestry service are handled through tender by the federal Department of Supply and Services. For the 1978 fire season the forestry service has contracted for six helicopters and four of the six have been awarded to northern based firms. Mr. Nickerson may also be interested to know that the forestry service has also contracted for two small fixed wing aircraft and both of these have gone to northern firms.

---Applause

Return To Question W28-65: Liquor Licence Fee

On Monday, May 15, Mr. Nickerson asked Question W28-65 concerning the off-premises liquor licence fee and the rationale behind its recent increase.

The licence fee for off-premises sale of beer has been raised to \$400 plus a percentage of sales. This is the first increase in this particular licence fee in eight years and brings the Northwest Territories fee into balance with licence fees charged by other provincial and territorial jurisdictions in Canada.

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

Question W29-65: Management Of Dempster Highway

MR. NICKERSON: Mr. Speaker, does the administration intend to produce the paper dealing with the management of the Dempster highway as desired by this House?

MR. SPEAKER: Commissioner Hodgson.

Return To Question W29-65: Management Of Dempster Highway.

COMMISSIONER HODGSON: Mr. Speaker, we have the paper, it was sent to us by the Deputy Minister of the Department of Indian Affairs and Northern Development but we do not have permission from that department to make it public or to table it in this House. When we do then we will but it is not our paper.

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

Question W30-65: Certification Of Standards Of Municipal Employees.

MR. NICKERSON: Is the administration considering any plans for the certification of standards of municipal employees?

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, I would have to take the question as notice and come back with an answer at a later date.

MR. SPEAKER: Written questions?

Item 3, oral questions.

Item 4, petitions.

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

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

Report Of The Standing Committee On Legislation.

MR. FRASER: Mr. Speaker, as deputy chairman of the standing committee on legislation, we held a standing committee meeting on legislation to consider Bill 20-65, An Ordinance to Amend the Public Service Ordinance and the committee agreed with the text of the bill as presented. It was also agreed by adopted motion to recommend that the bill not be given third reading until the October, 1978, session.

MR. SPEAKER: Item 6, notices of motion.

ITEM NO. 6: NOTICES OF MOTION

Notice Of Motion 18-65: N.W.T. Alcohol And Drug Co-ordinating Council Annual Report

HON. ARNOLD McCALLUM: I would like to give notice of the following motion:

WHEREAS Tabled Document 4-65, Northwest Territories Alcohol and Drug Co-ordinating Council Annual Report, March 31, 1978, contains a number of very significant recommendations;

NOW THEREFORE, I move that this report be considered in committee of the whole at a convenient time during this session.

MR. SPEAKER: Any other notices of motion?

Item 7, motions for the production of papers.

Item 8, motions.

ITEM NO. 8: MOTIONS.

Motion 15-65, Hon. Arnold McCallum.

Motion 15-65: Invitation To Hon. C.M. Drury.

HON. ARNOLD McCALLUM: Mr. Speaker:

WHEREAS the Hon. C.M. Drury has been conducting his inquiries concerning constitutional development in the Northwest Territories for several months and has met, on several occasions, with Members of this Assembly;

NOW THEREFORE, I move that this Assembly invite Hon. C.M. Drury to appear before it, in committee of the whole, during the 66th session to discuss the progress of his inquiries.

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

SOME HON. MEMBERS: Question.

Motion 15-65, Carried

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

---Carried

Item 9, tabling of documents.

Item 10, introduction of bills for first reading.

ITEM NO. 10: INTRODUCTION OF BILLS FOR FIRST READING

Bill 20-65, Hon. Arnold McCallum.

First Reading Of Bill 20-65: Public Service Ordinance.

HON. ARNOLD McCALLUM: Mr. Speaker, I move that Bill 20-65, An Ordinance to Amend the Public Service Ordinance, be read for the first time.

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

SOME HON. MEMBERS: Question.

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

---Carried

Item 11, second reading of bills.

Bill 20-65, Mr. Nickerson.

MR. NICKERSON: Mr. Speaker, I object to the second reading of Bill 20-65 at this time in order to give the administration time to really think whether what they are doing is in the public interest.

MR. SPEAKER: Mr. Nickerson, it requires two people as I understand it, to cause a bill not to proceed from one stage to another. Mr. Whitford, what do you have to say?

MR. WHITFORD: I support Mr. Nickerson in his motion.

MR. SPEAKER: I thought you seconded Hon. Arnold McCallum's motion.

MR. NICKERSON: For first reading.

MR. SPEAKER: Item 12, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 12: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

In that there were two Members indicating they did not want Bill 20-65 to proceed to second reading we can not obviously consider it in committee of the whole today, Hon. Arnold McCallum. What is the Executive's wish with respect to the order of business? Should we complete Motion 5-65?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: This House will resolve into committee of the whole for continued consideration of Motion 5-65, the matter of the funding of organized hunts, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Motion 5-65, Banning Organized Hunts, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER MOTION 5-65, BANNING ORGANIZED HUNTS

THE CHAIRMAN (Mr. Stewart): The committee will come to order to deal with Motion 5-65. To refresh your memory, this motion has been amended to read as follows. The title of the motion has been amended to read: "Funding Organized Hunts" and the other amendment at the end: "Now therefore, I move that this Assembly strongly request the administration to immediately discontinue funding organized hunts in areas where the caribou population is on the decline." To the motion as amended. Are there any further comments, or are you ready for the question?

SOME HON. MEMBERS: Question.

Motion To Amend Motion 5-65, Carried

THE CHAIRMAN (Mr. Stewart): To the amendment. All those in favour of the amendment? A show of hands, please. Six. Opposed? One. The amendment is carried.

---Carried

The motion itself, all those in favour? All those in favour as amended? Three. This is a vote now on the motion as amended. You have amended it and now it is the motion in its entirety, so if you agree with the amendment at this time, you would vote in favour. Mr. Lafferty.

MR. LAFFERTY: Mr. Chairman, I think that the Members here are under some misunderstanding. Perhaps you should read out the motion as amended.

THE CHAIRMAN (Mr. Stewart): Motion 5-65, Funding Organized Hunts, reads as follows: "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 in areas where the caribou population is on the decline."

Motion 5-65, Carried As Amended.

To the motion as amended. Those in favour? Five. Opposed? Two. The motion as amended is carried.

---Carried

Shall I report the motion dealt with and carried?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Motion 5-65, Banning Organized Hunts

THE CHAIRMAN (Mr. Stewart): Mr. Speaker, your committee has been studying Motion 5-65 and have approved this motion with the following amendments. The title has been changed to read: "Funding Organized Hunts", and the "now therefore" clause has been changed to read: "Now therefore, I move that this Assembly strongly request the administration to immediately discontinue funding organized hunts in areas where the caribou population is on the decline."

MR. SPEAKER: Hon. Peter Ernerk, is there any indication of priority from the Executive?

HON. PETER ERNERK: Mr. Speaker, Tabled Document 2-65, Financial Management and Control Study Report on the Government of the Northwest Territories July 1977.

HON. TOM BUTTERS: I wonder if I might have unanimous consent to return to Item 2, so that I might produce a return?

MR. SPEAKER: Consent to return to Item 2, agreed?

---Agreed

Proceed, Hon. Tom Butters.

REVERT TO ITEM NO. 2: QUESTIONS AND RETURNS

Return To Question W15-65: Skins From Dead Dogs

HON. TOM BUTTERS: Mr. Speaker, on May 12th, the Honourable Member from Foxe Basin asked the following question: We heard about dogs suffocating on aircraft on their way to Resolute Bay. I would like to ask what is going to be done about the hides of these dead dogs.

The return, sir, is as follows: On February 16, 1978, 105 dogs died while being transported by air from Greenland to Alert. The dead dogs were transported to Resolute Bay at the direction of the RCMP. The RCMP at Resolute Bay were advised by Agriculture Canada that the carcasses should be returned to Greenland or burned, as they represented a possible health hazard. The carcasses were burned at Resolute Bay the afternoon of February 17, 1978.

MR. SPEAKER: Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I read the wrong line. It should be, instead, Recommendation to the Legislature 2-65.

MR. SPEAKER: We will return then to Item 12, consideration in committee of the whole.

REVERT TO ITEM NO. 12: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

This House will resolve into committee of the whole for consideration of -- did you say Recommendation to the Legislature 2-65?

HON. PETER ERNERK: Mr. Speaker, I said Recommendation to the Legislature 2-65, Policy Respecting Legal Aid.

MR. SPEAKER: Thank you. Accordingly, the House will resolve into committee of the whole to consider Recommendation to the Legislature 2-65, Policy Respecting Legal Aid, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Recommendation to the Legislature 2-65, Policy Respecting Legal Aid, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE 2-65, POLICY RESPECTING LEGAL AID

THE CHAIRMAN (Mr. Stewart): Has everybody managed to locate the document on recommendation to the Legislature or this Legislative Assembly of the Northwest Territories, on legal aid? Has everybody located his copy?

SOME HON. MEMBERS: Yes.

THE CHAIRMAN (Mr. Stewart): Deputy Commissioner Parker, on this paper, are there any advisers that we can call at this time?

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1001
1002
1003
1004

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Assistant Commissioner Mullins is the person most familiar with this area. He has been working on it and the Department of Public Services, which includes the division of legal services, reports to him.

THE CHAIRMAN (Mr. Stewart): Is it the wish of the committee that we call Assistant Commissioner Mullins?

---Agreed

Assistant Commissioner Mullins, would you join us please at the witness table. Thank you. Assistant Commissioner Mullins, would you like to give us an introduction to this paper?

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. I would like to give a fairly brief introduction to the paper, first to outline a bit of the background and second to outline what precisely would occur if the recommendations of this document were to be approved by the Legislative Assembly.

Mr. Chairman, in 1975 it was decided that a review of legal aid should be conducted in the Northwest Territories as a result of several features. Three of the most important features were the fact that legal aid rates had not been amended for some years; second, the experience with the legal aid program and particularly, having a legal aid solicitor accompany court circuits, was several years old and in need of evaluation; third, an experimental program in Maliiganik Tukisiiniakvik had been established in Frobisher Bay as the Frobisher Bay legal aid services centre; and finally, the Northwest Territories Native Court Workers' program was being established at that time. The review was conducted by two officials by the federal Department of Justice and two officials from the Government of the Northwest Territories. Their report was presented to the Commissioner of the Northwest Territories and the federal Minister of Justice in the fall of 1977 and was made public to those who were involved and who were consulted at the time the report was made.

Aspects Of Legal Aid Review

I would like to focus on a few specific aspects of the legal aid review which I think are of interest to this committee. First, I think it fair to say that there has been a growing interest, as expressed by Members of this Legislature, in obtaining a better geographic distribution of people who are involved in legal services but are not members of the legal profession. I am referring in this case to people who fall into the term of "paralegal" and who are involved either with the Northwest Territories Native Court Workers' program or with the Frobisher Bay legal services centre. One of the difficulties here is that the Frobisher Bay legal services centre covers largely the South Baffin region and the Native Court Workers' program is geographically limited to the communities in the Mackenzie Valley. So, there are areas of the territories in which paralegal services are not now being provided with any regularity. This is particularly the Arctic coast and the Keewatin as well as some areas of North Baffin. Therefore, one of the things that we wanted to look at was how to get a more equitable geographic coverage for the provision of paralegal services. One of the groups who have been pressing for this has been COPE, Committee for Original Peoples Entitlement, in the Western Arctic region, the Western Arctic area. They wanted some kind of centre similar to the centre at Frobisher Bay.

One of the second features, Mr. Chairman, was a mechanism as a result of what was expressed by several residents in areas outside of the South Mackenzie for the availability of full time legal counsel in areas or in communities where full time legal counsel is not available. So, one of the things that was looked at was how can a lawyer and his services be made available on a residential basis in communities other than Yellowknife and Hay River. Finally, Mr. Chairman, there is the question of adequacy of the legal aid tariff.

Ordinance To Be Proposed

The recommendations I will treat in the order in which they appear in the recommendation to the Legislature so that it is easier to follow through and comprehend. First of all, at the present time there is no legislative framework within the Northwest Territories for the conduct of legal aid. Legal aid and financial support to the Native Court Workers' program Maliiganik Tukisiiniakvik is provided solely through moneys voted as part of main estimates or supplementary estimates and it is proposed to present to the Legislative Assembly at the fall session a bill to establish an ordinance which would act as an umbrella for all of the legal aid and paralegal matters.

Second, it is proposed that within the territorial ordinance a legal services board should be established. The legal services board would ensure that there is an arm's length relationship between the government itself and the relationship of the body governing legal aid with the community. In other words, the government itself would not directly deal with people who wanted paralegal services or with the Northwest Territories Bar Association or private members of the bar, in the administration of legal aid, it would be done by a committee that had on it possibly government representation but surely representation from the community. It would be a board which would be more senior than the board of individual paralegal bodies, far more senior than the actual group actually administering legal aid.

Financial Incentives

Finally, not finally, but next, it was suggested that instead of providing legal aid lawyers in communities such as Frobisher Bay or Inuvik it was decided that private legal counsel should be given financial incentives to reside in Inuvik or Frobisher Bay or possibly other communities as designated by the legal services board. This would ensure that if a resident lawyer were to be made available in this community, his services could be made available not only to legal aid clients but also to others who reside in these communities and who would have a normal fee for service relationship with legal counsel. To assist the legal services board in the conduct of its affairs, regional advisory committees were suggested.

Next, with respect to paralegal services it is proposed that these be looked at on a territory-wide basis rather than simply in the Mackenzie and South Baffin areas and with the provision of groups such as the Northwest Territories Native Court Workers or the Frobisher Bay legal services centre, they should be comparable. In other words, there are differences now in the kinds of things that Native Court Workers are able to do and the paralegals are, working for the Frobisher Bay legal services centre. We consider it desirable that their activities be comparable throughout the territories to make sure that some territorial residents are not getting a different level of legal services than others. To this end there have been productive meetings between officials of the Native Court Workers' program and the Maliiganik Tukisiiniakvik in order to define paralegal services and it is the intention of both of those groups to consult with the Law Society of the Northwest Territories in determining the role of paralegals vis-a-vis the role of members of the legal profession.

Legal Aid Rate Structure

Finally, Mr. Chairman, as a result of discussions carried out between the Government of the Northwest Territories and the Law Society of the Northwest Territories a new set of legal aid rate structures have been proposed to be recommended through the Minister of Indian and Northern Affairs and the federal Minister of Justice for joint submission to the Treasury Board for approval and for implementation on July 1, 1978. Mr. Chairman, that concludes my fairly lengthy opening remarks on the matter of the legal aid report.

THE CHAIRMAN (Mr. Stewart): Thank you, Assistant Commissioner Mullins. Hon. David Searle.

HON. DAVID SEARLE: I would just like to point out at the outset of this discussion that not only am I caught being a barrister and solicitor who could be affected by this discussion, but as well the president of the Law Society of the Northwest Territories. So, it would not be appropriate for me, from this place at least, to debate this matter nor to vote on it and I want to declare my interest at the outset and indicate for the record that I will be neither engaging in the debate, nor will I be voting on any motions that may arise as a result of this discussion.

THE CHAIRMAN (Mr. Stewart): Your statement, Hon. David Searle, has been so noted. Comments of a general nature. Mr. Fraser.

MR. FRASER: Mr. Chairman, I wonder if they could make those reports available to the House, or are they still confidential?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the reports could be made available to the House. I think they are something in the length of 400 pages long and it is a technical document which is difficult to deal with. The administration made available to the Clerk of the Council a summary of the report which I am led to believe has been translated and which would be available for distribution. The other would be available for distribution but I think it might take a printing job of several days in order to make that available.

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

MR. FRASER: Mr. Chairman, I was not led to believe that we would get the reports this time but maybe in the fall session we could look at them.

ASSISTANT COMMISSIONER MULLINS: Yes.

THE CHAIRMAN (Mr. Stewart): Thank you. Is it the wish of the committee that we request this information and looking at its technicality and its length do you think it is necessary to have it printed for each Member or just copies made available for those Members perhaps who can read it and understand it?

MR. FRASER: Maybe if the report was made available and mailed to the Members that would be satisfactory as far as I am concerned.

THE CHAIRMAN (Mr. Stewart): Thank you. Are you so moving, Mr. Fraser, so I can get the consensus of opinion here? Will you put that in the form of a motion that it be printed and distributed?

Motion That Copies Of Report On Legal Aid Be Available To Members.

MR. FRASER: If you want I can put it in the form of a motion. I move that we have copies of the report mailed out to the Members when they are available.

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

Motion Amended.

MR. NICKERSON: I would like to make an amendment to that motion by adding the words "to those Members who request the said documents".

THE CHAIRMAN (Mr. Stewart): To the motion as amended.

MR. NICKERSON: If I might speak to the amendment, I have already seen this report and it is as the Assistant Commissioner has said some 400 or 500 pages long and weighs about 25 pounds and I do not think I could read it in six months.

THE CHAIRMAN (Mr. Stewart): To the motion as amended.

SOME HON. MEMBERS: Question.

Amendment, Carried

THE CHAIRMAN (Mr. Stewart): The question on the amendment to the motion. In favour? Six. Carried.

---Carried

Motion That Copies Of Report On Legal Aid Be Available To Members, Carried As Amended

To the motion. I am sorry, the call should be on the motion as amended. Those in favour? Four. Opposed? The motion as amended is carried.

---Carried

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

MR. NICKERSON: This is a comment, Mr. Chairman, related to what we have here. I think we have in the Northwest Territories or all over Canada and in much of the western world a very complicated legal system. It is almost incomprehensible to the common man. We have complicated rules of court, complicated legislation and complicated procedures. If we find ourselves in any difficulty at all, especially with civil matters, we have to hire expensive lawyers to put our case forward. It would appear to me what these recommendations are really saying, and you have to bear in mind that they have been put forward by professional legal people, is that we want to make the system even more complicated. They are adding another level of paralegal people.

The whole thing is becoming very burdensome, very complicated, very expensive and just as incomprehensible, if not more so, to the ordinary person in that he will now probably have to go through this additional layer of paralegals. I would have preferred it, Mr. Chairman, were a study of the legal system in the Northwest Territories to have been undertaken, really, not by professional legal people but rather by ordinary citizens. Maybe we could, instead of making the system even more complicated, have made it simpler so that people would know what the procedures were and know what the function of the various court officers is. They would be in a position to defend themselves in criminal cases, would easily be able to make their own way through simple civil matters without the need for expensive attorneys. I would have much preferred it had we taken that attack rather than doing it in a professional way and coming up with this very complicated and expensive system.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Nickerson. Any further comments? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: No, thank you.

THE CHAIRMAN (Mr. Stewart): What is the committee's direction on this paper? Mr. Nickerson.

MR. NICKERSON: If no one else wishes to speak, after having said that as a general comment, I would like to go through the six recommendations as they are laid out before us.

Comments On Recommendations

With respect to recommendation one dealing with the territorial ordinance, that would seem to be okay. I do not know, of course, what is going to be in the ordinance but I would not object in any way to the administration presenting an ordinance with respect to legal aid programs in October. With respect to the legal services board and the regional advisory committees, recommendations two and three, the immediate thought that flashes through one's mind is "Not another board, not another committee!" It seems everybody in the Northwest Territories is serving on at least three boards of one kind or another. Perhaps in response the Assistant Commissioner could outline what he has in mind for these committees, how many people would be on them, what would be the qualifications of the people involved, what would be the remuneration, how often would they meet and that type of thing.

Recommendation three is rather hard to deal with. It is difficult for us to say yes or no to it at this time because we just do not know how much it is going to cost. I imagine what is meant by recommendation three is that subsidies of some kind or another would be given to lawyers setting up in remote areas. This has some dangers attached to it. I would like some greater explanation as to how this is to be affected. With respect to the final recommendation, six, the one on legal aid, of course, it is impossible for us here to say yes or no to this recommendation unless we know how much it is going to cost. I understand that the matter of legal aid fees has been a matter for discussion between the Northwest Territories Bar Association or the Law Society of the Northwest Territories and the Government of the Northwest Territories. I understand the lawyers are asking for an extremely high increase in fees. Perhaps the Assistant Commissioner could enlighten us as to what these increases were, whether they have all been granted and how much would be the additional burden to the taxpayers.

Cost Of Implementation

I think that before we can really deal with these recommendations we have to know how much it is going to cost. It is okay saying: "Go ahead and put these things into action," but if we do not know how much it is going to cost we might be in for a rude awakening at the next session.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I am quite convinced that if I were to answer that question I could do so without misleading any Members of this committee. On the other hand, Mr. Chairman, I am not at all convinced that I could provide a totally honest and open response without being accused of misleading this committee. So, Mr. Chairman, I have to say that I can not answer that question.

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

MR. NICKERSON: The only difficulty that poses, Mr. Chairman, is if we are not given information, it is very difficult for us to vote on the question.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Nickerson. Any further comments? Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Chairman, I would like to look at the same general area that the Honourable Member from Yellowknife North drew our attention to and that is the recommendation section. I am just wondering with regard to the ordinance as anticipated here, will this be an extensive ordinance or can the objectives outlined under the first recommendation be put together very simply in a three or four page document?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the intent of the legislation would be to incorporate the main points contained in recommendations two through six. We have not initiated legal drafting of the ordinance and it was not our intention to do so until such time as we received direction from the Legislature as a result of this recommendation. I am not confident we could have all the drafting done in about four pages but I would be confident it would not be a great deal more. I can assure you it is not going to look like the Income Tax Ordinance or Workers' Compensation Ordinance or ordinances of that length.

Contact On Community Level.

HON. TOM BUTTERS: Recognizing that it will probably be just putting into legislative form, practices and procedures which in the main already exist, I wonder if the witness might look at numbers two and four which seem to follow in the sense of a rational connection, whether there might be any consideration of including a further appendage which would be a settlement adviser. I do not know that the regional advisory committee that would be established under this legislation would be effective in all cases advising the legal services board. I think you would require contact at the community level as well, even if that contact is only one individual. I just wondered what the witness' thoughts might be on that aspect.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, this particular point was considered and raised by the group that reviewed the legal aid system. It is certainly the intention of the legal aid review committee and of the administration that in communities we would have to find someone, there would be a person who would be a contact person knowledgeable about the legal aid program and about the paralegal programs who would act as an adviser, not on legal matters, but how to get legal aid or how to contact the paralegal for people in conflict with the law or people who think they might want to learn something about the law in some way. They would certainly be consulted by the regional advisory committee. So, Mr. Chairman, that issue has been considered and it forms part of the more detailed recommendations.

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

HON. TOM BUTTERS: Thank you, sir. I just have one more question and this is related to numbers three and five. Number three would indicate to an uninitiated person that there is now no legal service available to residents of Inuvik. The last sentence here says: "The legal services board would enter into a contract with a lawyer to locate and provide legal services in Frobisher Bay and Inuvik."

Legal Services In Inuvik

I may say that up until the last time I was in Inuvik we have had a law firm with an office in Inuvik for, I think, the past four or five years. I notice in number five that Inuvik is mentioned again. I am wondering again whether there may be -- I can not see why Inuvik has been mentioned because it would appear to me that we have adequate legal services available now. I would be afraid, in view of the reduced activity in the valley that the future of that office might be in some jeopardy if any other organization would be setting itself up in that general area and might jeopardize the ongoing viability and vitality of the existing office.

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins, any comment?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, when the legal aid committee conducted its review, it received strong representation from several communities who felt that it was desirable to have one of two things located in that community, either a legal aid lawyer who may act as a public defender, or a resident lawyer in private practice. It was felt that with two lawyers in Hay River that that community was likely to continue to have legal services even if the reaction to an economic downturn might be a reduction in the number of lawyers from, say, two to one.

However, it was felt that in the event a legal services centre similar to that which is operated in Frobisher Bay were to be opened in Inuvik, that that might sufficiently reduce the level of activity so that a lawyer in private practice could not be sustained in Inuvik. The intent of the two recommendations is to try to provide legal services to all clients, not just legal aid clients and not just to tariff paying clients. Therefore, the option of a public defender in either Frobisher Bay or Inuvik has been rejected.

Lawyers In Private Practice

The question then goes as to how a lawyer in private practice might be encouraged to locate in either Frobisher Bay or Inuvik. If a lawyer is able to engage in private practice without a special kind of contract with the legal services board, then that is by far the more desirable course of action. So, no contract would be entered into in the event that a lawyer in private practice were to locate in either Frobisher Bay or Inuvik. The town of Inuvik was suggested in this recommendation solely to guard against the possibility that the law firm now engaged in private practice in Inuvik were to withdraw from providing on-the-spot services there. I have heard that that is a possibility, but I can not give a confirmation one way or the other. Ideally, we would prefer as a government that legal services be provided without any kind of a contract.

In Frobisher Bay the situation appears to be on the basis of information now available that it would not be possible to have a normal private practice in Frobisher Bay without some form of subsidy. What we envision is that a contract would be entered into between the legal services board and a firm or individual lawyer, to place a solicitor and barrister, or at least place a lawyer in Frobisher Bay. Hopefully, as the experience developed and the true size of the clientele became known to the individual, or to the firm, in subsequent years the size of the payment under the contract could be reduced and eventually the law firm or individual lawyer could continue in private practice without any form of support.

Initial Implementation In Frobisher Bay And Inuvik

It is the judgment of the committee, supported by the Executive Committee, that those two communities are ones in which this recommendation should initially be implemented and based upon experience in those communities, four, five, or six years later it may be possible to look at other communities where a similar arrangement might be considered.

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

MR. STEEN: Mr. Chairman, I guess Assistant Commissioner Mullins has probably answered or said what I was going to say in relation to Hon. Tom Butters' fear. I attended one of the meetings of the committee, when it was going around. When they came to Tuktoyaktuk I attended the meeting there and the consensus at the time from the town was that they were not too interested in having legal aid at Tuktoyaktuk, or having a centre. They felt that way, perhaps, when you look at the cost of setting up a centre in Tuktoyaktuk, a centre also in Aklavik, a centre in Fort McPherson, if all these places wanted a centre of their own. I believe that the only people who have been pushing for that was the Committee for Original Peoples Entitlement, they wanted a centre in Tuktoyaktuk to accommodate Aklavik, Sachs Harbour, Paulatuk, and all those Western Arctic communities. However, I learned a little bit later that Fort McPherson was strongly in favour of having one in that place and also Aklavik.

Looking at number six on the last page, it is a very good recommendation, I believe. As Mr. Nickerson said, you would have to look at the cost, how much it is going to cost the public before we are ready for it. I believe that Tuktoyaktuk has turned down an application for a centre in that particular community. They turned down an application for land to the Committee for Original Peoples Entitlement, to open an office there and also a legal aid centre. This might help Hon. Tom Butters in his concern.

THE CHAIRMAN (Mr. Stewart): Any comments, Assistant Commissioner Mullins?

Resident Lawyers

ASSISTANT COMMISSIONER MULLINS: The only comment I would make, Mr. Chairman, is that in terms of legal aid we feel that legal aid should be made available to all residents of the territories who require it, regardless of the community in which they reside but that there can only be a limited number of communities in which resident lawyers could be present. Certainly, the four that we are suggesting as a minimum for having resident lawyers would be Yellowknife, Hay River, Inuvik and Frobisher Bay.

So, I think what we have done, Mr. Chairman, is to take Mr. Steen's comments into account in drafting this recommendation in such a way that the legal services provided at the expense of having counsel in each community, or even a paralegal representative in each community is not contemplated. That is a long way of saying that services should be provided to each community, yes, but not in each community on a continuous basis.

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

HON. ARNOLD McCALLUM: Mr. Chairman, just on the total aspect of the recommendations that have been put forward, just pertaining to my experience in Tuktoyaktuk and in the various communities, specifically on the Arctic coast and in other smaller areas, but more specifically to those areas on the Arctic coast there have been many requests for increased legal services in these communities and the communities, as the Assistant Commissioner has indicated, where it is not possible or economically feasible to set up a law office. The recommendations that have been put forth and endorsed by the Executive Committee and the administration, I believe recognize the requests.

Ensuring That Legal Services Are Available

In light of the major difficulties that are evident in ensuring that legal services are available to all people, regardless of where they reside in the Northwest Territories, we believe that these recommendations should satisfy the requests that we hear, although one may argue with the operation of specific areas or specific parts of these recommendations, that is, in relation to the operation of a law office in a particular community, a native court worker in other areas or some other such arrangement. I think the recommendations that have been put forward do react to the requests that the government has had in terms of ensuring that legal services are made available to all people in the Northwest Territories.

Certainly, as I indicated earlier, in areas on the Arctic coast there have been many requests to ensure that people do know of the operation of the law and there is no question that it is intricate, it is complex, a complex problem. Just trying to battle your way through that 400 page report would indicate to anyone who has attempted it that it is a very complex subject.

Committees In Communities

As to the difficulty in some of the smaller areas of having yet another committee formed in a community, it has been my experience that I have noted in some of these communities that a committee takes on more than one aspect, especially in relation to social services. For example, in Coppermine and in Holman Island, the community social service committees are wanting to take on more responsibility. So in fact, there is not an overabundance of committees but these people can, in fact, take on added responsibilities and, indeed, have asked for them. So, I would only point out, Mr. Chairman, that these recommendations that have been made after consultation with the Law Society of the Northwest Territories and other groups and organizations coming together. The administration does believe that these recommendations do satisfy the requests that have been put forward by communities and by people in communities to provide better legal services, more adequate legal services for the people, the entire population of the Northwest Territories.

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

Motion Re Introduction Of Legal Aid Ordinance

MR. NICKERSON: Mr. Chairman, in order to get closer to the end of our discussion on this particular matter, I move that this committee has no objections to the introduction of a legal aid ordinance at the next session of the Legislature.

In speaking to that, Mr. Chairman, it seems, as is said in recommendation one here, the legal aid system is a piecemeal type of system at present and it might be in the public interest to consolidate it and give it a legislative base.

With regard to the other specific recommendations we have before us, because of the refusal of the Assistant Commissioner to testify to these matters at the present time, especially with regard to the amount of money it might cost, it is very difficult for us to make up our minds as to whether we would want them or not. I would suggest that the appropriate way of going about it would be, because of this refusal at the present time, to come forward with an ordinance in October and, hopefully, at that time some facts and figures will be available.

THE CHAIRMAN (Mr. Stewart): Thank you. Your motion, as I understand it, that this committee has no objection to the introduction of a legal aid ordinance at the next session. To the motion. Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Chairman, as I interpret the motion, and in view of the testimony provided by Assistant Commissioner Mullins in which he pointed out that the ordinance would incorporate and include within its format and body the six recommendations here, I would say that approval of the motion would allow the administration to go ahead and carry these recommendations out as placed before us. Mr. Nickerson, apparently ...

DEPUTY COMMISSIONER PARKER: Mr. Chairman, you surely can not leave Mr. Nickerson's remark on the record that our witness refused to testify or whatever his words were. Our witness said that he did not have the information and there was no refusal.

THE CHAIRMAN (Mr. Stewart): Thank you.

SOME HON. MEMBERS: Hear, hear!

THE CHAIRMAN (Mr. Stewart): I am very sorry that the statement had been made in that manner. I apologize but I did not hear that remark made or I would have brought it up. Unless you are wearing these headsets, up here with the fan right over top it is very difficult to hear from this particular vantage point, believe me. As much as the Chair did not hear the remark, to the motion. Hon. David Searle.

HON. DAVID SEARLE: I just wondered what the motion is. I am not going to speak to it. I just wondered what it is.

THE CHAIRMAN (Mr. Stewart): The motion was that this committee has no objection to the introduction of a legal aid ordinance at the next session. Hon. Tom Butters.

Financial Aspects Part Of Ordinance

HON. TOM BUTTERS: Just to say that my interpretation of the motion is that it permits the administration to implement through legislation all the recommendations that are put before us in this paper. I do not understand the Honourable Member's reference to money. I would assume that the financial aspects would be contained in the schedule and that schedule will form part of the ordinance. However, maybe somebody could inform me.

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

HON. ARNOLD McCALLUM: Mr. Chairman, is that a proper interpretation of the motion?

THE CHAIRMAN (Mr. Stewart): As I read the motion it gives carte blanche for the introduction of the new legal aid ordinance. You can put anything in it, specify anything. I would say it leaves everything wide open.

SOME HON. MEMBERS: Question.

Motion Re Introduction Of Legal Aid Ordinance, Carried

THE CHAIRMAN (Mr. Stewart): The question being called. All those in favour of the motion? Six. Opposed? The motion is carried.

---Carried

HON. DAVID SEARLE: Mr. Chairman, may I be recorded as having abstained?

THE CHAIRMAN (Mr. Stewart): I am sorry, Hon. David Searle, I did not hear your remark. Would you repeat it?

HON. DAVID SEARLE: May I be recorded as having abstained?

THE CHAIRMAN (Mr. Stewart): Yes, you may, Hon. David Searle.

HON. DAVID SEARLE: Thank you.

THE CHAIRMAN (Mr. Stewart): It appears that the Chair has erred again and it may be concluded that the point Hon. Tom Butters raised here may only have to do with recommendation number one. I wonder, Mr. Nickerson, whether you would clarify the situation for us seeing as it is your motion.

MR. NICKERSON: I did not quite hear that, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): The point that Hon. Tom Butters raised on the face of your motion is that this might restrict it technically to just agreeing to recommendation number one rather than all of the recommendations. Was that your intent?

MR. NICKERSON: I think that the motion speaks for itself, Mr. Chairman. It is quite comprehensible to me and I am sure it must be to anyone else.

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

HON. TOM BUTTERS: Mr. Chairman, as a Member of the Executive Committee, I take that motion to give the committee full direction to implement the total recommendation package as presented to this House and that is what I will be pushing for on the Executive Committee and that is why I voted for it.

MR. FRASER: Hear, hear!

THE CHAIRMAN (Mr. Stewart): That is fine but I have the advice that this may not be the intent of this motion.

HON. TOM BUTTERS: The motion speaks for itself, sir.

Motion To Accept Recommendation To The Legislature 2-65, Carried

HON. ARNOLD McCALLUM: Well, Mr. Chairman, if that advice causes you apprehension, let me lay that aside. I move for the recommendations that have been put forward by the Executive Committee, that they be approved.

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion? There will be no errors this time. Question being called. All in favour?

MR. NICKERSON: No, no, no! Mr. Chairman, before we can say yes or no with respect to these specific recommendations it is absolutely essential, Mr. Chairman, that we must have some indication of what it will cost. Otherwise we will be completely and utterly derelict in our duties and responsibilities to our constituents. There is no way that I can vote on such a motion unless some evidence is forthcoming from the administration as to what these measures will cost.

THE CHAIRMAN (Mr. Stewart): I would presume, Mr. Nickerson, that when the bill is brought forward this would be the time to make these decisions and ask for these costs. We are not passing the bill. This is just a recommendation to bring forth legislation.

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Stewart): All those in favour? Six. Opposed? One. The motion is carried.

---Carried

Shall I report this paper accepted as read?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Recommendation To The Legislature 2-65, Policy Respecting Legal Aid

MR. STEWART: Mr. Speaker, your committee has been studying Recommendation to the Legislature 2-65, Policy Respecting Legal Aid. From this debate came three motions as follows: Copies of the report on legal aid mentioned by the Assistant Commissioner be mailed to those Members who request it. This motion was carried. The second motion was that this committee had no objection to the introduction of a legal aid ordinance at the next session. This motion was carried. The third and final motion was that the committee accepted the paper as presented.

MR. SPEAKER: Thank you. Hon. Peter Ernerk, what next?

HON. PETER ERNERK: Mr. Speaker, I would suggest that we move on to Problems Related to Marketing of Freshwater Fish.

MR. SPEAKER: Hon. Peter Ernerk, I must be having the same problem as Mr. Stewart but I could not make head nor tail out of that. Maybe you could try it again.

HON. PETER ERNERK: Maybe you could understand the Inuktitut version better.

MR. SPEAKER: Pardon me?

HON. PETER ERNERK: Do we have an echo in this room?

MR. SPEAKER: I am sorry, I can not hear you.

HON. PETER ERNERK: I said Problems Relating to Marketing of Freshwater Fish.

MR. SPEAKER: Thank you.

HON. PETER ERNERK: You are welcome.

MR. SPEAKER: Mr. Fraser, do you want to take the chair on this one? I think Mr. Stewart will probably want to speak on it. This House will resolve into committee of the whole to consider Problems Related to Marketing of Freshwater Fish, with Mr. Fraser in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Problems Related to Marketing of Freshwater Fish, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER PROBLEMS RELATED TO MARKETING OF FRESHWATER FISH

THE CHAIRMAN (Mr. Fraser): Mr. Speaker, I recognize the clock as 2:30 o'clock p.m. We will adjourn for coffee.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and calls the meeting to order. We have no material on it but we have Problems Relating to Marketing of Freshwater Fish. I think Hon. Peter Ernerk is the first on the list.

Situation In The Territories.

HON. PETER ERNERK: Mr. Chairman, what I just wanted to do is to report very briefly to the House with regard to the Freshwater Fish Marketing Corporation meeting that took place about a month ago which the Honourable Member for Hay River attended and I attended and some members of my department attended. I think Members of the House are basically aware of the situation as it stands right now in the Northwest Territories. What it comes down to is that fishermen in Hay River and in that area are basically quite unhappy with the Freshwater Fish Marketing Board's operation in Winnipeg. We as a government put this before the Minister of Fisheries and Environment, Hon. Roméo LeBlanc when we were in Winnipeg and we expressed dissatisfaction on the part of or on behalf of the freshwater fishermen in the Northwest Territories, that the fishermen in the Northwest Territories were not getting the kind of prices they wanted to and basically they wanted to have more say in the operation of the Freshwater Fish Marketing Corporation. Furthermore we proposed to the minister at that time that the corporation's management must be answerable to the members it serves.

If I recall correctly I think we also indicated to the minister that the top management of that organization, I think we said, should be hired by the elected members of the corporation. We asked him to improve the marketing system and generally speaking we asked him also to study the whole operation itself. I believe it was by the members that this study should have been conducted. However, I can not speak for the other provinces. All of them showed some dissatisfaction to the management and the whole operation of the Freshwater Fish Marketing Corporation. Included at that meeting were Ontario, Manitoba, Alberta and Saskatchewan as well as ourselves. As I indicated, they basically indicated to the Minister of Fisheries and Environment at that time that they were not happy with the operation and management of the Freshwater Fish Marketing Corporation as well.

The Peterson Formula.

During our meeting the minister presented to us what he called the Peterson formula. What that means is that the provinces or the participating provinces would have some kind of representation on an independent board. I believe Manitoba would have something like four members. Saskatchewan would have three members. Alberta would have two. Ontario and the Northwest Territories would each have one member.

Basically that meant that the federal government would get out of it. With that kind of system, although it would have more say as to what happens to the operations of the marketing agency in southern Canada, whether that is the Freshwater Fish Marketing Corporation's operation in Winnipeg or somewhere else, it was not really acceptable to the participating provinces and the Northwest Territories. That is where the matter was left when Mr. Stewart and I left because we had to go elsewhere, to another location, to another city that night. However, some provinces met with the board that night and apparently agreed to have the board -- let me just read this out to you, Mr. Chairman -- "Ministers agree..." this Minister did not agree, meaning myself because I was not there when these two recommendations were made: "(a) to instruct their representatives on the board of the Freshwater Fish Marketing Corporation to conduct a review of the marketing procedures of the Freshwater Fish Marketing Corporation through a committee of the board who will consult with the provinces using outside expertise and/or board members selected by the board and recommended that the board complete the study by July 15, 1978, and (b) that the committee of participating

provinces and the Northwest Territories examine all alternative arrangements for managing the Freshwater Fish Marketing Corporation including the Peterson formula and including the definition of purpose, powers, involvement of participating governments, including their representation, financial obligation and reporting arrangements and the organizational structures and authority of any board and its officers that is established to manage the Freshwater Fish Marketing Corporation to be forwarded to ministers of participating governments as the basis for negotiation."

The Fishermen Are Not Happy.

When I returned from that meeting, I advised my Executive colleagues on the matter and discussed briefly what kind of step we should take next and there was some discussion on the part of the Executive as to what the feelings of the fishermen might be in the Northwest Territories, and basically we all agreed that fishermen on the south of the lake are not happy.

As I indicated to the members of my department during our meeting, I think it was about three weeks ago, and I think Mr. Nickerson was at that meeting as well, they made a recommendation, that is to say the fishermen in Hay River made a recommendation to set up their own co-operative, a co-op type of system setting up their own marketing agencies in southern Canada or somewhere else in other countries such as the United States. So, basically that is where we ended up when we came back or at least when I came back to Yellowknife.

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

Arctic Char Fishery

MR. STEWART: Mr. Chairman, I think probably I should add a few further remarks to the presentation made by the Minister. I am afraid that I have forgotten the gentleman's name who represents the fishermen's federation with regard to the Arctic char. Mr. Minister, possibly you could refresh my memory on the name of the man representing the federation or the co-op with regard to the Arctic char who was in Winnipeg who also opposed the Freshwater Fish Marketing Board. Do you recall his name?

HON. PETER ERNERK: That was a gentleman from Cambridge Bay and his name is Mr. Reg Merkley.

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

MR. STEWART: It is my understanding from Mr. Merkley from Cambridge Bay, the Arctic char fisheries stand was exactly as the fishermen on Great Slave Lake. If this is the case we can assume that all of the fishermen in the territories are opposed at the present time to the Freshwater Fish Marketing Corporation.

Problems Of Marketing

Now, when we deal with the problems of marketing, I think we must realize that from the Northwest Territories our production figures are less than ten per cent of the total that the Freshwater Fish Marketing Corporation handles. I think as far as we are concerned this is the main fault in that their marketing system is designed really for the provinces of Manitoba and Saskatchewan, far more so than they are for the Northwest Territories.

Prior to the marketing board when the industry was operated under private enterprise, probably 75 to 80 per cent of the fish caught in Great Slave Lake was shipped fresh to the United States market. Now, the price for fresh fish is considerably more than that for frozen fish and when you add the added cost of the price of freezing, and the cost to the fishermen in having to pay for this, the returns to fishermen are far less. Part of the reason for this of course is that Lake Winnipeg produces a large quantity of whitefish and it is this fish that is shipped to satisfy the markets in the United States and Great Slave Lake fish are frozen in Winnipeg. Some of it is frozen in the Northwest Territories but most of it is handled in Winnipeg.

Fish Of Inferior Quality

On the matter of handling all of the fish as required under the act the marketing board has to undertake to sell fish of inferior quality and by "inferior quality" I am referring to the infested fish which must be filleted and handled and the cost for this is extremely high with the net effect that the operational cost on a per pound basis is probably three to five times greater under the Freshwater Fish Marketing Board as it affects Great Slave Lake as it was under private enterprise. I think those are conservative figures, I think there are quite a bit more that are hidden costs and it is pretty hard to put your finger on it, but at least three to five times higher.

Of course this money comes out of pocket of the fishermen. At the present time, without the subsidization of the territorial government marketing of fish out of Hay River, there would be no fishery. We are subsidizing to the extent of some \$100,000 or somewhere near that figure at the present time to maintain the fishery. The word "subsidy" might be an improper use of the word but it is of assistance in maintaining the operation of the plant.

At the present time the Freshwater Fish Marketing Corporation is prepared to undertake to close the plant at Hay River for the summer operation and this then of course defeats all the purposes for which the plant was originally built. The original plan revolving around the plant was to provide employment, to improve the quality of the Great Slave Lake production and to generally then be able to corner a preferred market but the net result of where we are going now is that Great Slave Lake fish will be shipped to Winnipeg and frozen at that point.

You should some time have the opportunity of seeing this fish plant in Winnipeg. It is one of the most modern plants probably in Canada but because of the nature of the freshwater fishery it is overbuilt at certain times of the year and badly underbuilt at other times of the year, with the net effect that in the summertime, if the lakes in Manitoba and Saskatchewan are fishing heavily, our product can sit on the rail siding for two or three days. By the time it is brought into the plant and it is culled at that point, the culled fish are charged back to the fishermen on Great Slave Lake and there is a loss.

A Canning Operation For Hay River

There does not appear at the present time to be any ready solution to our problem other than the possibilities of looking at a canning operation at Hay River. I know the one at Rankin Inlet was rather disastrous but the cost of their raw product there is considerably higher than it would be at

Hay River. I hope to see an economic study done on this to see whether or not this is one possible way out. However, this terminology of the minister, actually the Minister of Fisheries and Environment for the federal government, laid it on the line to the provinces basically and this is really what he said. "If you expect the federal government to pay 50 per cent of your losses then we will run the Freshwater Fish Marketing Corporation". So, the desire of the provinces to get control over management and keep the feds in I think is not a probability at this time.

Now, this Peterson formula that the Minister just referred to, actually it is a man's name, Peterson, who suggested at the meeting -- it is not much of a surprise that the thing was set up in favour of the provinces that produce the fish, that would be mainly Manitoba and Saskatchewan who would control the new board. The territories and indeed Alberta and a small part of Ontario, since they belong to the marketing system would be pretty well at the mercy of Manitoba and Saskatchewan. We would be in a worse situation in my opinion if the Peterson formula were adopted and the federal department left. So, I would rather see the feds in the game if we were to remain with the Freshwater Fish Marketing Corporation.

Under The Federal Regime

The other situation is that basically the fish plant is not owned by the Freshwater Fish Marketing Corporation; it is in Hay River and I believe it could be turned over either to the territorial government or to a co-op of some nature, for the fishery to go on its own and leave the Freshwater Fish Marketing Corporation completely. Now, the pounds of fish caught are relatively so small as far as the main markets are concerned that we certainly would have no problem in marketing our fish, particularly if Saskatchewan and Manitoba maintained a marketing system of some sort. We could have the better part of two worlds where the price would be maintained by the heavier producers and as a small producer we could get a good price and still not have to pay the piper. However, the probability is, I think, that it is not too far down the road where the marketing corporation would be deserted by Manitoba and Saskatchewan and of course if this happens there is no doubt that Alberta will go and so will Ontario, leaving the Northwest Territories under the federal regime as the only people left in the marketing corporation. This might not be a bad idea if it were to occur but this, too, is not too likely.

Until such a time as our fish is properly handled and the plant, the capacity at Winnipeg is large enough to take the volumes at the heavy peak periods the back charges and this type of thing should be borne completely by the over-all production from all places and not just placed on those from Hay River.

Much Improvement Is Needed

I think too, it is worth noting again that at the time this legislation was introduced into this Assembly a few years ago to put the Northwest Territories into the Freshwater Fish Marketing Corporation that the fishermen at that time opposed going into the corporation and I supported this position as their representative in this Assembly and voted against joining the Freshwater Fish Marketing Corporation. I might add that I was the only one of the day who did this. However, I think that if the fishery in the North is to progress, certainly there has got to be an awful big improvement in the services being given by the Freshwater Fish Marketing Corporation or else the territorial government or a co-op will have to take over the market. Thank you.

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

Fish Stored In Winnipeg

HON. ARNOLD McCALLUM: Mr. Chairman, in light of the remarks of both the Minister and Mr. Stewart, and specifically Mr. Stewart, with the remark about Great Slave Lake fish being kept on railheads at particular times, I wonder if I may ask of the Minister if he could tell me if, in fact, fish stored by the Freshwater Fish Marketing Corporation in Winnipeg were purposely destroyed last year. Secondly, could he give us an estimate of that particular amount? Third, could he estimate how much of that fish was from the Great Slave Lake area?

HON. PETER ERNERK: Mr. Chairman, I would just have to go back to the news reports which I received from both the newspapers in Winnipeg. I recall it was reported, "tons, and tons, and tons". As to how much fish was destroyed from the Northwest Territories, I would have to go back and provide that answer later on in the session. I just can not think of it offhand, Mr. Chairman.

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

MR. NICKERSON: I have several questions, Mr. Chairman. It seems to me that this meeting in Winnipeg was brought about as a result of a series of exposés in the Winnipeg newspapers about certain goings on in the Transcona plant. Most of the problems were, undoubtedly, as a result of the inability to sell fish and the warehouses becoming full of the stuff and people at the plant being in dire straits as to know what to do with it. Apparently, they were reported as having taken some to the Winnipeg dump and burnt it. People involved in the management of the Freshwater Fish Marketing Corporation were reported as having taken fish and fed it to cattle and doing all kinds of other things. A number of complaints not directly related to the overproduction or lack of sales would involve the misuse of equipment, equipment going to rust outside of the plant, the attachment of rabbinical seals to the fish which were not done by properly ordained rabbis but by ordinary employees of the Freshwater Fish Marketing Corporation.

Inquiry Into The Management Of The Corporation

I think that one of the things that was to be brought to the attention of the various ministers at the Winnipeg conference, was that the province of Manitoba, I believe, wanted an inquiry into the management of the Freshwater Fish Marketing Corporation. That, as I understand it, was one of the major things they wanted to get out of that meeting. They wanted a full inquiry into the management of the organization. I wonder, Mr. Chairman, if we could be advised whether such an inquiry has been called, presumably by the Hon. Romeo LeBlanc.

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

MR. STEWART: Yes, basically I thought I covered that point. The federal minister, Hon. Romeo LeBlanc, made it abundantly clear that if the federal government was to remain a partner of the Freshwater Fish Marketing Corporation, that they would run the Freshwater Fish Marketing Corporation and management was beyond the control of the provinces. They would hire the chairman and president of the Freshwater Fish Marketing Corporation and tolerate no interference with regard to these two positions.

MR. NICKERSON: I understood the Honourable Member for Hay River to have said that but I wonder whether the federal government themselves, internally, are trying to do anything about the management of the Freshwater Fish Marketing Corporation, whether they intend to hold some kind of internal inquiry into the goings on. I fully realize they will not allow the provinces to get into the act.

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

MR. STEWART: This is just a personal observation but the feeling I had from the minister, and the president and the chairman, was that they were quite pleased with the operation as it was and it did not appear to me that there was going to be any investigation or inquiry of any type.

Alternatives In The Marketing Of Fish

MR. NICKERSON: Thank you. I thank the Honourable Member from Hay River for those answers. The second question is directed to the Minister of Economic Development and Tourism. It would seem that there is a range of alternatives which could be used in the marketing of freshwater fish from the Northwest Territories. The first alternative would seem to be to allow the Freshwater Fish Marketing Corporation to continue. The second alternative would probably be the formation of a co-op in Hay River. This co-op would undertake the marketing of Slave Lake fish. The third alternative might be the re-establishment of the private enterprise system on the lake. There might be other alternatives and you might have a combination of one or more of those alternatives.

Of course, pursuant to the present Freshwater Fish Marketing Act, an act of the parliament of Canada, they have given the Freshwater Fish Marketing Corporation a monopoly on export sales so that it would be impossible, or very difficult for the province to unilaterally get out of the Freshwater Fish Marketing Act and establish their own export sales business. Assuming that could be done, which of the various alternatives does the Minister of Economic Development and Tourism feel would be the most beneficial to Great Slave Lake fishermen?

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

A Co-operative Type Movement

HON. PETER ERNERK: Mr. Chairman, looking at the present situation as it stands right now in Hay River, we in our department have not too much of anything in terms of written paper. I would actually tend to support the idea of the formation of a co-operative, mainly because, I think, in terms of what has happened in the Northwest Territories in small centres, if there is to be any real success on the part of an organization, a co-operative type movement would, perhaps, take the kind of lead, in other words, it could, perhaps, have some kind of leadership for the members. It would represent a certain number of members from Hay River itself and perhaps one or two other communities.

As to what action, I believe that is the next question Mr. Nickerson asked, as to what other type of action we might be prepared to take as a government in terms of if we are to continue to stay with the Freshwater Fish Marketing Corporation, or going to another organization, I guess I failed to mention in my opening remarks that I have discussed this very subject with my Executive colleagues and what we are now trying to do is to look at other alternatives. I have asked my officials to look at what legal implications there might be if we were to decide to get out of the Freshwater Fish Marketing Corporation altogether. Once that has been done, we could, hopefully, come to a decision in which the decision that is made by us would be acceptable to the fishermen of Hay River.

On Breaking The Agreement

I should advise the Members that the recommendation I have made to the other Executive members is that we get out of it. However, as I indicated earlier, what will be required, of course, is a study on the part of the Department of Economic Development and Tourism and the Department of Public Services on how you do get out. We will have to look at the agreement that was signed some years ago when the Council of the Northwest Territories, I believe it was back in 1969, decided to enter into an agreement with the federal government, or Council asked the Commissioner to get into an agreement with the federal government for the Northwest Territories to enter into an agreement and go into the Freshwater Fish Marketing Corporation. I want to be able to see how that agreement in law reads and from there, if it is possible to get out of it.

If there are not too many problems here and there, then I think I would strongly suggest to my colleagues that the wishes of the people of Hay River be represented.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. Mr. Nickerson.

MR. NICKERSON: It is my understanding that the Freshwater Fish Marketing Corporation agreement and the Freshwater Fish Marketing Act are something like a lobster trap, you can get in but there is no way you can get out.

THE CHAIRMAN (Mr. Fraser): Any other comments? Mr. Stewart.

Effect On The Char Fishery

MR. STEWART: Mr. Chairman, the Honourable Minister has been emphasizing Great Slave Lake and properly so inasmuch as the Great Slave Lake produces the largest catch of fish in the territories. However, Mr. Reg Merkley, representing the char fishery from Cambridge Bay, indicated to me that they felt they could get up to 35 cents more a pound for their char if they were outside of the marketing corporation. So, I do not think this problem is just restricted to Great Slave Lake and I think we should take into account it is also affecting the char situation.

As of March 31st of this year there were some nine million pounds of fish in storage in Winnipeg. It was indicated by management at that time that they had sold some two million pounds but there were no records produced to substantiate this. I have no particular reason to not believe that it is true, but even so, if you were to take this two million pounds off, you only have seven million pounds and on an economic base for the size of this operation going into a new summer season, you should have no more than three million pounds on hand.

Of course, we face a period of time when the Canadian dollar hit an all-time low and our market is in the United States but you can not sell fish on an 86 cent dollar in the United States. I do not know how they are going to sell the production that they have to expect in the upcoming summer as well as clear the heavy inventory they have on hand at the present time.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Are there any other comments? If there are no further comments, is it the wish of the House that we report progress? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, there are two outstanding questions that I have not answered, two questions by the Honourable Minister of Local Government with respect to how much fish was destroyed in Winnipeg last year and how much of it was from the Northwest Territories. Would the House allow me later on this afternoon to answer these two questions?

THE CHAIRMAN (Mr. Fraser): Is it agreed?

---Agreed

So if there are no further comments, is it your wish that I report progress? Is it agreed?

---Agreed

MR. SPEAKER: Mr. Fraser.

Report Of The Committee Of The Whole Of Problems Related To Marketing Of Freshwater Fish

MR. FRASER: Mr. Speaker, your committee has been studying the Problems Related to the Marketing of Freshwater Fish and with no motions, no change at this time we wish to report progress.

MR. SPEAKER: I think it would be safe to say that that matter is completed.

MR. FRASER: Yes, Mr. Speaker, that matter is now completed.

MR. SPEAKER: Gentlemen, just to give you an indication of where I think we are on the order paper, I am told of course Bill 20-65, we will not proceed with this afternoon and I am told that Recommendation to the Legislature 1-65, Vocational Training in the Eastern Arctic is not to proceed any further and I am told we should put all of those Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, since they are all of a financial management nature to put them into committee of the whole at the same time. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I probably told you that Motion 7-65, Development of a Hamlet Ordinance really does not require any further study at this point because the Honourable Member from the High Arctic is not here. We could at some point this afternoon though go ahead with Recommendation to the Legislature 1-65, Vocational Training in the Eastern Arctic, but since we have the financial advisers here this afternoon perhaps we could move on to any of the financial items this afternoon if you wish.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: So, in summary then we have left to do, Recommendation to the Legislature 1-65, Vocational Training in the Eastern Arctic, that is still on and the financial documents and Information Item 2-65. That looks like it. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, I wonder if I may have unanimous consent of the House to go back to Item 8?

MR. SPEAKER: Motions?

HON. ARNOLD McCALLUM: Motions.

SOME HON. MEMBERS: Agreed.

REVERT TO ITEM NO. 8: MOTIONS.

MR. SPEAKER: Unless you give notice of the motion, you would have to go back to notices of motion first. Have you given notice?

HON. ARNOLD McCALLUM: I recognize that and I gave notice today of a motion to move into committee of the whole to discuss the recommendations of the Alcohol and Drug Co-ordinating Council and I would like unanimous consent to make that motion to go into committee of the whole today.

MR. SPEAKER: Is there any objection? Proceed.

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

Motion 18-65: N.W.T. Alcohol And Drug Co-ordinating Council Annual Report.

WHEREAS Tabled Document 4-65, Northwest Territories Alcohol and Drug Co-ordinating Council Annual Report, March 31, 1978, contains a number of very significant recommendations;

NOW THEREFORE, I move that this report be considered in committee of the whole at a convenient time during this session.

MR. SPEAKER: Is there a seconder? Hon. Tom Butters. Discussion.

SOME HON. MEMBERS: Question.

Motion 18-65, Carried.

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

---Carried

Hon. Arnold McCallum, please.

HON. ARNOLD McCALLUM: I wonder if I may have a further indulgence of the House to go back to Item 2, questions and returns.

SOME HON. MEMBERS: Agreed.

---Agreed

REVERT TO ITEM NO. 2: QUESTIONS AND RETURNS.

MR. SPEAKER: Proceed.

Return To Question W20-65: Liguor Removal, Rae.

HON. ARNOLD McCALLUM: Thank you, Mr. Speaker, the Honourable Member, Mr. Whitford, asked Question W20-65 concerning the aspect of liquor in Rae or Rae-Edzo. I have the following reply.

The information would have to come from the RCMP and it may well take some time to get this collated. I wonder if I may have his indulgence to prepare an information item for the next session.

Return To Question W30-65: Certification Of Standards Of Municipal Employees.

Further, Mr. Speaker, the Honourable Member from Yellowknife North asked a question earlier today as regards the employees of municipalities and trying to set a standard for their work as regards certification.

The Department of Local Government, Mr. Speaker, is presently conducting seminars on training and in fact there is one to begin shortly if it is not under way now in Inuvik for managers for the hamlets or for the settlements of Paulatuk, Sachs Harbour, Fort Good Hope and Norman Wells. Further, Mr. Speaker, we are endeavouring to more accurately determine the roles of settlement secretaries and secretary managers and trying to identify the skills and training that would be required of them to adequately perform these roles. Once we have determined this we may again pursue the idea of certification of these people and in conjunction with these we would be examining potential career paths etc., but it possibly may be 18 to 20 months in the future. Thank you, Mr. Speaker.

MR. SPEAKER: Is it the wish of the House that at this point we have, presumably for today's consideration later, Motion 18-65, Northwest Territories Alcohol and Drug Co-ordinating Council Annual Report, since we just had the motion put on the order paper?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Now then Hon. Peter Ernerk mentioned that the financial advisers are here so I assume that it would be appropriate to resolve into committee of the whole and consider the Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, is that correct?

This House will resolve into committee of the whole for consideration of Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER TABLED DOCUMENTS 1-65, 2-65, 3-65, 10-65 AND 11-65

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study the following tabled documents:

Tabled Document 1-65, A letter from the Auditor General's office with the Report of Financial Management and Control in the Government of the Northwest Territories.

Tabled Document 2-65, Financial Management and Control Study Report on the Government of the Northwest Territories, July 1977.

Tabled Document 3-65, Northwest Territories Workers' Compensation Board, Part of Report on the Financial Management and Control Study of the Government of the Northwest Territories, July 1977.

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.

What is your position, Hon. Peter Ernerk?

HON. PETER ERNERK: Mr. Chairman, I wonder if we could invite Assistant Commissioner Mullins and Mr. Eric Nielsen, the director of the Department of Finance to come before us.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins and Mr. Nielsen, would you join us at the table, please? Mr. Minister, I understand you wish to deal with Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, is that correct?

HON. PETER ERNERK: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Would you prefer to proceed with one document at a time or will we bounce around?

HON. PETER ERNERK: They are basically all together and maybe we could ask one of our witnesses to explain to us their intent.

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

Intent Of Documents

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. Tabled Document 1-65 is really the Auditor General's summary of the major points contained in Tabled Documents 2-65, 3-65 and 10-65. Therefore, if Members want to discuss any elements of these specific comments of the Auditor General then reference to either of those documents is really reference to Tabled Document 1-65 as well. Tabled Document 11-65 is the government's work plan and major comments on it as prepared by the Department of Finance in relationship to the Auditor General's comments. We are happy to have the discussion handled in any manner you prefer. I might also add, Mr. Chairman, that in the last session of this Legislature held in the fall, when the representatives of the office of the Auditor General were here, along with Mr. Nielsen and myself a basic introduction or general comments to the report were provided and I really do not believe there is any point at this point in my giving general comments beyond those which were provided at the last session.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any comments, gentlemen, of a general nature on Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65? Are there any general comments? Are there any specific comments? Mr. Nickerson.

MR. NICKERSON: Specific, sir.

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

MR. NICKERSON: Mr. Chairman, I have a very large number of specific comments to make with regard to the financial matters and I am just wondering if I start I will probably end up monopolizing the whole committee debate and I do not really want to do that unless other Members are particularly interested in hearing me out. Most of the specific comments I have could equally well be asked in private but then the other Members would not have the benefit of the answers but I am quite willing to do that if the committee feels that I might be prolonging our activities here.

THE CHAIRMAN (Mr. Stewart): Mr. Nickerson has made the suggestion, gentlemen, that he has a great many questions. He is prepared to ask them privately and what is your wish, do you want him to do it publicly now or do you wish him -- Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Chairman, I think that the Member has indicated that he believes the replies would be of benefit to the committee and I suggest that he proceed.

THE CHAIRMAN (Mr. Stewart): Any other comments from anyone in this respect? Proceed, Mr. Nickerson.

Tabled Document 2-65

MR. NICKERSON: I would refer you, Mr. Chairman, to Tabled Document 2-65, the Financial Management and Control Study Report on the Government of the Northwest Territories, July 1977. I think most of the other documentation is included in this one particular report and a very good summary is given in the first few pages of this report as to what the whole thing is about, pages one to 12 of this document. It would appear that as a basis for discussion we might like to confine ourselves to those pages rather than flit around because everything else that appears within the documents is summarized in those pages. My first question, Mr. Chairman, is really a technical question. This is on page two in paragraph 2.4 where it refers to a systems-based audit approach and what is meant by a systems-based audit approach?

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

Types Of Audits

ASSISTANT COMMISSIONER MULLINS: There are really two kinds of audits that are carried out and normal audits include elements of both. One type of audit is a transaction audit whereby the auditors' staff would take a look at various documents to see whether for example the correct procedures were followed in the issuance and approval of travel claims to make sure whatever procedure was documented and approved as the correct procedure and was followed in particular cases that were being investigated.

Transaction audits are always included or some transaction audits are always included in the Auditor General's annual audit of any government or any government department. A systems audit is an audit of the adequacy of the financial control system itself. Are the procedures which have been used designed to both permit the administration of financial resources and to ensure that the likelihood of inappropriate or unauthorized spending, to ensure that the opportunities for fraud are non-existent or very minimal, to ensure that the amounts voted by the Legislative Assembly are not exceeded. They look not at individual transactions or a series of individual transactions but at the total design of the financial system. It is this design of the financial system to assess its adequacy that this particular group of auditors looked at in the case, not at a series of transactions.

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

The Senior Financial Officer.

MR. NICKERSON: Thank you for that explanation, Mr. Chairman. The second point that I would like to bring up is rather an important one and it is not really a technical one at all. On page three in paragraph 3.1 there is a statement to the effect that "Responsibility for financial management and control in the government is vested primarily in the Assistant Commissioner who is recognized as the senior financial officer." a simple statement of fact. The Government of the Northwest Territories has not always operated with the Assistant Commissioner being the senior financial officer but apparently the system has worked out quite well since we have been blessed with the coming of the present incumbent in that position.

In paragraph 3.2 the study concluded that "The senior financial officer should continue to report to the Commissioner and should have direct input to the Executive Committee of the government." The thing that bothers me a little about that statement or that recommendation is that it does not really follow along the lines of thinking of this Legislature, that we should try to develop a cabinet comprised of Members of the Legislature. We should be looking actually to the establishment of a minister of Finance. Obviously if it has to be somebody selected from the Legislature it is very unlikely that you would get somebody with the capabilities in financial fields of the present Assistant Commissioner so that you would have then the senior financial man who would not be an expert and the experts would have to report through the minister of Finance just as they do in the provincial governments and just as the Hon. Jean Chrétien is not an expert in financial matters. I wonder if the report from the Auditor General gave due consideration to this constitutional point of view when making that specific recommendation?

Abolishing The Position Of Assistant Commissioner.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I am pleased to answer that question in detail. During the audit conducted by the Auditor General's staff two facts of life were brought to his attention. The first fact of life that there is a formal proposal submitted to the Government of Canada which has the strong endorsement of this Legislature and which is known widely to have my strong personal endorsement that the position of Assistant Commissioner should be abolished.

Second, there is another document on the records of the Government of the Northwest Territories that indicates very clearly to the auditor that I am on a contract as opposed to being a continuing full time public servant of the Government of the Northwest Territories. Therefore, putting one and one together, the conclusion, the Auditor General's staff, excuse me, came to the conclusion that it is possible at the time I leave the Government of the Northwest Territories there may be abolished the position of Assistant Commissioner. It is a fundamental principle of good management, be it in government or be it in industry, that the chief financial officer should report directly to the chief Executive officer.

Under all existing legislation the Commissioner is the chief Executive officer of the Northwest Territories and I guess it was the opinion, but I am speculating now, of the Auditor General's staff there was a possibility that the position of Assistant Commissioner would be abolished but that it would be abolished in the man itself with the responsibilities and powers of the Commissioner being unchanged. Therefore there would be an interim period between which there was the Commissioner who legislatively had the powers of chief Executive officer and there would be no appointed member of the Executive Committee who filled the role of senior financial officer.

Therefore, having had those kinds of discussions, the Government of the Northwest Territories through the Commissioner agreed that in the event an appointed member of the Executive Committee who was also chief Executive officer did not exist, then the chief financial officer who would not be a member of the Executive Committee would report directly to the Commissioner.

I believe it is fair to say that this objective was designed to accommodate both the wishes of this Legislative Assembly and myself that eventually and preferably in a fairly short time the position of Assistant Commissioner be abolished but that the Commissioner should still retain the responsibilities of chief Executive officer until such time as the Northwest Territories Act is changed.

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

Territorial Corporation

MR. NICKERSON: I must say that I personally like very much the recommendations contained in paragraph 3.4. I do not think they need any elaboration. On page four, paragraph 3.7, when it says, "The senior financial officer's responsibilities should encompass all matters relating to the financial affairs of the government including developing and monitoring financial policies and standards in territorial corporations..." etc. What this refers to undoubtedly is organizations such as the Workers' Compensation Board and the Northwest Territories Housing Corporation.

One point of view would seem to have it that these quasi-governmental organizations should be separate from government, as separate from government as possible, that they should have their own financial staff, should be financially independent. The other point of view is that because it is government money with which they operate, because there is a lot of mutual involvement between the government and organizations such as the Housing Corporation, that the two should have an entwined financial system. This second viewpoint seems to be the one taken by the Auditor General's staff. I wonder whether in the opinion of the Assistant Commissioner that that is the right procedure to adopt.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, this is a very important issue and I think you realized the importance when I made reference to the comparable federal situation with respect to certain problems noted in parliament and in the press concerning some crown corporations. What the Auditor General is aware of here and what we take to heart is that in policy terms, in basic administrative terms, groups such as the Northwest Territories Housing Corporation and the Workers' Compensation Board have to have a high level of autonomy.

Comptroller General Of The N.W.T.

As you know in the Government of Canada the Auditor General strongly recommended the appointment of a comptroller of the Government of Canada and that would be one of the functions of the senior financial officer, as a comptroller or the comptroller general of the Northwest Territories government. Those responsibilities would ensure that the financial systems had integrity in them, had the audit trail in them, had the control in them, had for legislative purposes the information systems in them to ensure that public moneys or moneys borrowed under guarantees by a legislature were properly administered in a financial sense and properly protected and that information emanating from the corporations was sound and fair in every way.

We accept the recommendations of the Auditor General in this and subsequent to the preparation of this report in June of 1977, the Government of the Northwest Territories and the Housing Corporation and the Government of the Northwest Territories and the Workers' Compensation Board have entered into agreements governing the responsibilities outlined in this particular recommendation.

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

Financial Administration Ordinance.

MR. NICKERSON: I refer you to the recommendation contained in paragraph 3.8 which says that there should be certain changes made to the Financial Administration Ordinance. I wonder when we might expect those amendments to that particular ordinance to be put before us and what they are likely to be, the main points, the major points to be included in those amendments.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, we are currently determining a number of the government's positions on several recommendations. We are midway through defining clearly the role of the Executive Committee subcommittee on finance. We are midway through determining clearly the definition of the terms of reference of the senior financial officer and the relationship of the senior financial officer to the director of Finance, to the executive manager of the audit bureau to the territorial treasurer. When these final definitions and terms of reference are arrived at we will then be in the position to develop a bill to amend the Financial Administration Ordinance.

At the moment the director of Finance is not in the Financial Administration Ordinance and it is only the territorial treasurer. There is no reference to any intermediate level of manager between the Commissioner and the territorial treasurer. If we go back in the report to earlier discussions about a senior financial officer and the subsequent comments about other elements of financial control, these will all be incorporated in the bill to amend the Financial Administration Ordinance. We are at the moment hoping that such an ordinance could be presented to the fall session of the Legislature if the Legislature is to have one in the fall and, if not, at the January session at the latest. It is going to be nip and tuck as to whether we can get something prepared of the quality we are striving for by October and that is our target but it is not a commitment.

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

Executive Subcommittee On Finance.

MR. NICKERSON: On page five, paragraph 3.10, I can not really understand what it says, it is written in a very bureaucratic type of language but what I assume it to mean is that a manual will be developed with rules and procedures for the operation of the Executive subcommittee on finance and this particular subcommittee of the Executive Committee will be highlighted, it will become the main financial decision making body within the Government of the Northwest Territories, that its position vis-a-vis the Executive subcommittee and other committees such as the capital planning committee will become much greater. Am I correct in thinking that?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, that is essentially correct. The Executive subcommittee on finance was established about three years ago but became operational only in the middle of last year, in the sense of having regular meetings with a regular agenda. The first several meetings were composed primarily to handle the budget planning matters and those are, obviously, critical responsibilities on the Executive subcommittee on finance. There are, however, several hundred types of transactions or events, financial events which occur during the year which require some sort of approval at a level above a director in our government. What we are now trying to do is to determine the precise set of responsibilities as between individual Executive members and the Executive subcommittee on finance as a whole.

Secondly, over the years a number of matters with significant financial implications were handled directly by the Executive Committee and there had to be an identification of the relationship of where the responsibilities of the Executive subcommittee on finance end and the relationship of those responsibilities to those of the Executive Committee.

Again, Mr. Chairman, we have been at the business of having regular meetings of the Executive subcommittee on finance now for about a year and we are still defining, really, the outer limits of the responsibilities of that committee. What we are hoping to do essentially through the Executive subcommittee on finance is to put the emphasis on financial policy so that delegation as much as possible can be made to directors and departments and regions to handle transactions. It is that area that we are currently defining within the context of the Executive subcommittee on finance.

MR. NICKERSON: Is that what you call "decentralization by centralization"? Of course, the Assistant Commissioner does not have to answer that question on the grounds that any answer might be misleading.

THE CHAIRMAN (Mr. Stewart): On that note we will recess for 15 minutes for coffee.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): I call the committee back to order. Mr. Nickerson.

MR. NICKERSON: I am prepared to go on for quite some time, Mr. Chairman, but if you could again ascertain the wishes of the committee, whether they think that is in their best interests, I am in a position where I am monopolizing the whole proceedings and that is a position I do not really want to be in.

THE CHAIRMAN (Mr. Stewart): I understand the committee wishes to proceed with Mr. Nickerson's questions?

---Agreed

Mr. Nickerson, please.

Relationship With Departmental And Regional Financial Staff

MR. NICKERSON: I wonder, with regard to paragraph 3.11 on page five, whether this type of recommendation might lead to any difference of opinion with the Department of Personnel and also I know that a number of departments within government are very jealous of their own jurisdiction and feel that they have certain peculiarities that are not existent in all other departments. The Department of Education for one, that is a good example. They feel that the Department of Education is something special. I wonder whether this recommendation has met with any difficulty from other departments within the Government of the Northwest Territories.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the recommendation referred to in paragraph 3.11 has been implemented and is now working. I should give a little background to that issue though. In all competitions for financial jobs, the competition is still organized and carried out by the Department of Personnel. The selection panel for senior individuals contains on it a representative of the Department of Finance who is financially qualified and who can comment on the financial qualifications of the candidates.

I might also add, Mr. Chairman, that this is similar to the situation we are developing with respect to the appointment of regional superintendents of almost any department. Mr. Nickerson used the example of the Department of Education. The regional superintendent of education in any region is in fact an employee of the regional director and when the regional director hires a regional superintendent of education, he invites either the director or an assistant director in the Department of Education to sit on that panel so as to assess the professional qualifications of the various candidates. So, what we tend to do, Mr. Chairman, when we have a manager who is attempting to hire a specialist employee, as a matter of course we seek a representative of the specialist department to sit on that panel to assess the technical skills of the individual. This is now happening in all competitions affecting the senior financial person in each department or region.

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

Staff Training

MR. NICKERSON: Paragraph 3.12, dealing with staff training, the recommendation there is that the training program be expanded and accelerated. I wonder what has been done with respect to the training of financial staff and have we been successful in enticing people from the Northwest Territories to get involved in financial management and financial training.

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

ASSISTANT COMMISSIONER MULLINS: I wonder if I may have Mr. Nielsen answer that question.

THE CHAIRMAN (Mr. Stewart): Please proceed, Mr. Nielsen.

MR. NIELSEN: Mr. Chairman, as we indicated on our work plan which is Tabled Document 11-65, Financial Management and Control Study, Status Report and Work Plan, a significant amount of work has been done in the area of financial training, both in training the financial staff of the Department of Finance, the departments, including the regions, as well as program managers. We have held budget training seminars, we have held seminars on the use of management reports and we are presently involved in training programs for accounts payable procedures and just very recently held a zero based budgeting course for both program managers and financial people.

With respect to the second part of your question, in so far as training northerners to proceed along the financial path, the major training area is one of general accounting, auditing and systems and procedures background. The Government of the Northwest Territories has for some years and continues to, support fully all financial people who wish to become enrolled in professional accounting courses such as the Certified General Accounting course and the Registered Industrial Accountants course. In addition to supporting these people through the method of paying their fees, they do and are facilitated in this process by having access to people, professional people within the organization with whom they can consult on a regular basis on any matters pertaining to that program.

MR. NICKERSON: I am pleased to note that we are having some success in that regard. I know of the effort put into this by some of the professional organizations and I would like to take this opportunity of complimenting them and people like the witnesses before us, Mr. Chairman, who have supported them in those endeavours.

Communication Of Policy And Procedures

In paragraph 3.13, the financial manual is covered. It would seem essential that such a manual be in existence, be kept up to date and used especially because we have such a large turnover of staff at the present time. I wonder if this recommendation has been complied with and we now have a workable financial manual that is being used by people.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, we have a comprehensive manual program under development at this time. It will be in three volumes and volume three deals with the treasury manual, arrangements of the kind noted here. Our target date for completion is October, 1978. I might just add that there are two other volumes to the manual, one dealing with personnel matters and includes as well all of the financial authorities dealing with things such as travelling, vacation travel assistance, etc., and volume one of the manual which contains a summary of the terms of reference and terms and conditions of various government programs, such as the trappers' assistance program, the outpost camps program, etc.

I might just add that this, Mr. Chairman, was one of the stronger recommendations and more important concerns of the Auditor General, in that he did not find fault, basically, or substantial fault with the way the government was administering but he did find that a number of policies, including financial policies, were being poorly communicated. Therefore, it is something to which the director of Finance and his staff have been placing a very high priority.

Educational Relief Program

If I could just go back one question and add one thing to what Mr. Nielsen said with respect to staff training. As you know, Mr. Chairman, this government has an educational relief program that supports approximately 15 people annually for full scale upgrading at an institution in southern Canada. In the school year commencing September, 1978, we will be sending three long term northern employees on education leave so they can obtain their formal accounting designation.

Delegation Of Financial Signing Authority

MR. NICKERSON: Mr. Chairman, part of paragraph 3.14, about the periodic review of existing signing authorities, etc., presumably what it means is, you have one review right now, look into everything in detail, a senior financial officer would make recommendations which, according to this recommendation would go to the Commissioner but I would have hoped that it would have been submitted first to the Executive Committee or subcommittee on finance. Once you have established this, a system of signing authorities, then you can implement a system of periodic review so that once every year, or six months, or whatever you feel is necessary, you review this list in some systematic manner. Has, Mr. Chairman, this been put into effect?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, in either late February or early March of this year a full financial signing authority policy was considered and approved by the Executive Committee and signed by the Commissioner. On the basis of that financial signing authority which provides additional authority on routine matters to directors and senior officials of departments and regions and restricts in some way financial signing authority in the areas there is considerable discussion and latitude. As a result of the approval of that policy a review was made of each department and region as to what the appropriate signing authorities by position should be. The signing authority form was signed for each department or region by the Commissioner early on in April so this recommendation has been complied with in full.

In addition what we have done is to ensure that specimen signature cards that are the link between the position to which signing authority is delegated and the individual who fills that position, the specimen signature card has been amended so that the person who is provided with signing authority understands what the delegation means and is given an opportunity to be instructed on what the delegation means at the time he signs for that authority.

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

Account Verification

MR. NICKERSON: Mr. Chairman, page six, paragraph 3.16 which deals with the payment of invoices, the recommendation here as I read it is that there must be some form of confirming evidence that supplies have been received or that services have been satisfactorily performed before the invoice is paid. This is undoubtedly good but on a number of occasions the question of late payment of invoices by the Government of the Northwest Territories has been brought to our attention and we have generally recommended the policy that the government pay invoices as quickly as possible. Sometimes it might not be possible to confirm the evidence that services or supplies have been given. I wonder how do you accommodate those two conflicting types of things, one to pay invoices as quickly as possible and the other one to make exactly sure that the goods and services have been provided? How do we keep everybody happy?

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

ASSISTANT COMMISSIONER MULLINS: I wonder if I could ask Mr. Nielsen to answer that question.

MR. NIELSEN: Mr. Chairman, I think perhaps we should discuss the reason that that recommendation was made. The normal procedure of this government is to ensure that the goods or services have been received prior to payment of any invoices. The reason that this recommendation arose is that the government pays a number of invoices prior to the receipt of the goods on site and the main reason for that is that for a number of goods, title passes to the Government of the Northwest Territories for a number of goods at marshalling points or at FOB points in the South, so the Auditor General was suggesting that although we accepted title in the South and paid the invoices accordingly, that we should follow that up subsequently to ensure that the goods were received on site.

Ensuring Prompt Payment

The second part of the question relates to our procedures in ensuring that we have prompt payment. Our major concern, of course, in a government of this size is that there is a breakdown occasionally in the processing of invoices prior to arriving at the Department of Finance. The work is generally done for a program department authorized by that program department and oftentimes an invoice is misdirected to the Finance department, to the wrong region or to headquarters. This is perhaps the major reason for some delays in payment but once the invoice is received and approved by the department we have and can almost guarantee that a payment will be made within approximately ten days of the time the invoice is received by the Finance department. I must qualify that statement because during the last two months we have made substantial changes to our accounts payable systems, significant improvements to the reporting systems, improvements which managers have been demanding, managers and financial area people. As a result of those significant changes there have been significant delays in processing accounts within approximately the last four to six weeks. We anticipate that with the combined improvements and with the coming on stream of the new system within approximately the next week or two that we will be back on stream in paying accounts for all northern suppliers within 30 days and that includes all the time from the time the invoice arrives at the correct department until the cheque is issued.

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

MR. NICKERSON: I must say that I concur with the recommendation pertaining to the manual cheque issue. I still get a large number of impressed cheques and as a taxpayer I think I could have saved myself a few fractions of a cent had they been done by a computer.

Monthly Reconciliations

With respect to paragraph 3.18 about monthly reconciliations, in the text of the report or the body of it, it says that on occasions this was very poorly done and that these reconciliations were not being completed in time to be valuable for management purposes. I wonder if improvements have been made now.

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

MR. NIELSEN: Mr. Chairman, again I believe this particular recommendation arose because of one or two months reconciliations in one particular region of the government which were late in coming in. However, I should mention that we are making a comprehensive review of all reconciliations, bank reconciliations, accounts receivable reconciliations and other analyses of government accounts. We now have a monthly reporting procedure to the territorial treasurer with an exception reporting procedure to the director of Finance so that I am advised monthly of any exceptions where reconciliations are not submitted on time and in the appropriate form and that the outstanding items are not cleared.

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

MR. NICKERSON: In paragraph 3.19, Mr. Chairman, it recommends that departmental fees and rates for services provided to the public should be subject to review and approval annually by the Executive Committee. Is that now being done, Mr. Chairman?

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

Revenue Reviews

MR. NIELSEN: The question of revenue reviews is a significant one and, as this Legislature knows through its review of the Tobacco Tax Ordinance amendment, that it had been some time since the tobacco tax had been increased. We recognize that this government, this administration has not done its job well in terms of reviewing revenues on a regular basis in the past. We have in process at this moment a comprehensive revenue review which will -- I am not going to promise when this is going to be completed but it will when it is completed have a policy developed for each type of revenue, a method or basis under which all fees are calculated and a formal procedure and regular review at least annually of each type of revenue. I anticipate that we will have the full job completed by December of this year.

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

MR. NICKERSON: Dealing with the recommendation, Mr. Chairman, contained in paragraph 3.20, if you refer to page 26, you will see that this problem has been particularly acute with relation to cost shared programs, programs with which we provide so much of the money and the federal government provides so much of the money. This has been a continuing problem, I believe. A number of times it has come to our attention where we have not been collecting from the senior government moneys which were due to us. Has this problem now been rectified?

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

MR. NIELSEN: Mr. Chairman, the comprehensive revenue review that I discussed earlier will take this exact type of recommendation into consideration. I should also mention that subsequent to the Auditor General's control study we asked the audit bureau of the Government of the Northwest Territories to make a thorough review of our revenue section and combined with their recommendations and the revenue review presently under way we anticipate that we will not have a problem of this nature in the future. I should mention that we are also not waiting for the results of that study. There have been significant improvements in the follow-up and assurance that cost shared claims are billed quickly and promptly.

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

Grants And Contributions

MR. NICKERSON: Paragraph 3.22 on page seven, this has certain political connotations in that Members of this committee would very much like to know where various public grants and contributions are going. If I remember correctly, the presentation in the budget documents in January and February did outline in a good deal of detail, an amount of detail which met with the favour of Members of the Legislature, what grants and contributions were to be given or authorized to be given. I wonder if this particular recommendation is being put into effect where we will have available to us detailed lists of grants and contributions that were actually made during the course of a particular fiscal year.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the relationship between the handling of grants and contributions and estimates and the handling of territorial accounts is a complicated one because of the fact that when the territorial Legislative Assembly sits in January to pass the main estimates we never know precisely what is going to be the amount of a grant or contribution to the known recipients and we of course do not have a list of all recipients. Therefore, when grant and contribution data is provided in the main estimates it is of a more general nature. We have committed ourselves to providing a detailed list of the recipients of the grants and contributions in the last fiscal year in the territorial accounts which are now being prepared and which will be available to this Legislature in the fall.

THE CHAIRMAN (Mr. Stewart): This Assembly no longer has a quorum. I am sorry, proceed Mr. Nickerson, we are all right again.

POL Accounts

MR. NICKERSON: Thank you, Mr. Chairman. In the section that deals with accounts receivable, with reference to page 28 in the body of the report it seems that some 25 per cent of the general accounts as of the date of this report were 90 days overdue and that of the POL, petroleum, oil and lubricants program, accounts some 32 per cent were overdue. I wonder if any success has been recorded in reducing those outstanding debts to the present time and also there seems to be some difficulty in the billing process by the revenue section. They do not seem to be getting the source documents with which to make out their invoices from other departments as quickly as they presumably would like to. I wonder if this matter has been given any attention also.

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

MR. NIELSEN: I could answer the question of POL accounts and perhaps this would give you some idea of the difficulty. Normally POL is delivered in the community by a local entrepreneur or by a local government enterprise. There is definitely a delay between the time that the POL is delivered and the time that the information on that delivery is submitted to the regional office. It could go through an area office and then a regional office and then there is a delay in getting the information from the regional office back into headquarters. This delay has been as high as 45 days in some cases.

Following the receipt in the offices of the Government of the Northwest Territories the present fuel billing system is done once per month and if you arrive, or if the information arrives a few days before the billing system runs then of course the timing is only that time delay that it took to arrive in our offices. On the other hand, if the system has just been run then it adds another 30 days before the invoice is billed. So in total we could usually be talking about a delay of 60 to 70 to 80 days between the time that the POL product is delivered until invoices go out. We have made substantial progress in speeding this process up, particularly from a field point of view.

A Comprehensive Fuel Billing System

In so far as our systems work is concerned we have attempted and are examining the possibility of running the system two or three times a month rather than once a month. The difficulty here is that we have a very comprehensive fuel billing system which not only is responsible for the billing process but is also responsible for the inventory control and it means that the cost involved in processing that three or four times a month is significant. We are talking about perhaps ten hours of computer running time every time you run that, if you ran it three or four times a month, that is. So, we have examined the possibility of simply front-ending the system so we would only run the billing and then run the inventory later but it has been examined. It has not been rejected but because there are significant systems development problems involved it has not been developed yet.

I should point out and I do not know the exact percentage of POL accounts outstanding at the moment, but I do know however that from the time, let us say from a year and a half ago towards the end of last year, our position on POL accounts in terms of the outstanding percentage had been cut down by one-half, by 50 per cent. So, we had made significant progress up until that point. The same sorts of general rules apply for general accounts receivable as well. In the North we simply have significant communications problems between the area of service delivery and the area of getting the money in. We have also taken steps to allow local payments to be made. This is a significant step which was not done before. So, consumers can pay their accounts locally which will also help the system.

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

Museum Artifacts

MR. NICKERSON: I will skip over a few of the comments of lesser significance, Mr. Chairman. With respect to paragraph 3.26, one question is, have the museum artifacts now been inventoried and the second question is what is this board of survey, referred to on page 29 all about? I understand it is set up pursuant to some of our legislation, that it is necessary to have the recommendation of this board before assets or things which were carried on the books as assets are written off and I have never come across the animal before. Is it still in existence?

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

ASSISTANT COMMISSIONER MULLINS: I regret I can not answer Mr. Nickerson's first question concerning whether or not the artifacts in the museum have been inventoried or not. I believe that process is under way but I have not got a detailed report at this time.

Boards Of Survey

With respect to the second question about boards of survey, we establish a board of survey to assess the currency of inventory held in revolving funds. I believe that the supplementary estimates approved yesterday contained reference to a write-off of two supply services revolving funds, one at Frobisher Bay and the other at Enterprise. In those cases what is done is a board sits to review the amount carried in inventory and recommendations are made by the manager of the revolving fund that certain inventory has either deteriorated in quality and is no longer required or, as is most frequently the case, the inventory contains spare parts for automobiles and equipment which are no longer required because the equipment itself is obsolete and has itself been disposed of. So, therefore, the recommendation is made to the board of survey that these parts no longer be considered as part of the inventory of the revolving fund.

If the board of survey agrees then these can be signed off as no longer part of the inventory and the parts can be returned to the supplier for a credit or sold, auctioned off or disposed of in some other manner, with the proceeds of the sale being returned to general revenue. One of the major purposes of this is to ensure that inventory space is not cluttered with obsolete or unusable inventory and it is also to ensure that the inventory that is being financed by the revolving fund has value in terms of the current needs of government.

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

Inspection Of Assets

MR. NICKERSON: Who are the members of the board of survey? Maybe at the same time we could be advised with respect to paragraph 3.27 about the physical inspection of assets on a regular basis. Who would be the people who would be delegated to carry on this inspection, how would it actually be done? Would we be hiring a special inspector of physical assets and flying him all around the country or would it be done by local personnel who might be responsible for those assets in the general course of business?

ASSISTANT COMMISSIONER MULLINS: With respect to the first question, the composition of the board of survey, the board is composed of the government employees appointed normally by our regional director who are not directly involved in the particular revolving fund itself. Therefore, for example, you might get your chief financial officer on a board of survey as long as he is not directly involved in the management of the supply services inventory. With respect to other inventory counts the procedure is normally to select public servants who are not directly involved in the management of the inventory that is being counted.

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

Total Cost Of Programs

MR. NICKERSON: Mr. Chairman, with respect to paragraph 3.34, recommendations dealing with total cost of programs. In reading the budget material which we had presented to us in January, I found it sometimes difficult to find out the total cost of programs. For instance, in the Department of Education the cost of utilities and fuels for schools for instance are carried in the Department of Public Works budget and you can only guess that it might be ten, \$12 or \$15 million of this which actually goes into schools and it is hard to find out whether the cost of our education system is \$45 million a year, as it appears in the education budget, or whether it is some \$65 million or \$70 million. I just wondered if the administration had any plans to make this total cost information available in some way or another?

Information On Capital Projects

A second question which you might like to deal with at the same time, because it is under the same recommendation, although a slightly different subject is information on capital projects. Members of the Legislature, coming as they do from specific constituencies like to know what is going on or planned in their home communities and a lot of this is undoubtedly contained in the capital plan that the government has. I wonder if any consideration has been given to making this capital plan a public document at some time or another, although we know that it is subject to change.

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

Amending The Estimates Format

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, paragraph 3.34 deals with four specific recommendations and I would like to go on record as indicating that we have complied with three of those recommendations in amending the format which was presented to the Legislative Assembly in the January session.

The second point that Mr. Nickerson raised, raised the reliability and amount of information on capital projects that should be approved. This is detailed on page 39 in paragraph 9.15(iii) and the precise information of the kind suggested by the Auditor General was, in fact, included in the main estimates for 1978-79. We are considering the possibility of providing additional documentation to the Legislative Assembly on capital as a companion document to the main estimates, not to burden the main estimates down.

The item, Mr. Chairman, that we did not place into the main estimates for the current fiscal year is related to the total cost of programs. We have developed a format that will cover that and it was our hope to do that no later than for the 1980-81 fiscal year and possibly for the 1979-80 fiscal year. When looking at it we found that some kinds of costs would be fairly easy to identify with individual programs.

Support Services

For example, we have a square foot formula for maintenance and operation of buildings. If we know the square footage of our buildings dedicated to education, it would be very simple to identify what are the maintenance, electricity, fuel costs, etc., of our school system. Where it gets a little more complicated is, what do you do with staff housing? Shall we allocate staff housing as a cost to each program on the basis of the man years in the program or on the basis of the actual physical count of the number of employees from different departments who live in staff accommodation, or what have you?

How do you handle the cost of the legal services division? Legal services division in our government is a program that is a support service to all of government and should costs such as that be allocated to all programs of government? What about the cost of the Executive Committee? The Executive Committee, obviously, is one which supports all programs. In principle it is a fairly simple thing. Our government has accepted the challenge and it supports the objective of showing total program costs. We have a very minor amendment to the format to accommodate. We are working on an identification, both of means by which overhead costs can be allocated and a means of presentation. When we do it, we want to do it well and it is because we want to do it well that it may take until 1980-81 to do it rather than the estimates for the next year.

You may have also noted that in the main estimates for 1978-79 we stated clearly the relationship of revenue to expenditure where the two are related and we would hope to do the same for indirect program costs within the next 18 months.

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

MR. NICKERSON: Mr. Chairman, that concludes the comments I wish to make with regard to the general government operation. I will refrain from asking similar questions I had on government corporations such as the Housing Corporation. I would like to thank the committee for allowing me to take so much time to discuss something which appears to be of more interest to myself than most Members. I would also like to thank the witnesses for their very clear, lucid and non-evasive answers.

THE CHAIRMAN (Mr. Stewart): Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, any further comments? May I report then, that we have concluded with Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Tabled Documents 1-65, 2-65, 3-65
10-65 and 11-65

MR. STEWART: Mr. Speaker, your committee has been studying Tabled Documents 1-65, 2-65, 3-65, 10-65 and 11-65, and wish to report we have concluded our study.

MR. SPEAKER: Gentlemen, my notes indicate we have the report on alcohol and drug abuse that we could study. Is there any preference on behalf of the Executive? The other alternative, of course, is that we do have to come back tomorrow. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I move we recognize the clock.

MR. SPEAKER: I will just check and see if that motion is debatable. I do not think it is. The motion is not debatable, gentlemen. Question? On the motion to recognize the clock.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question being called. On the motion by Hon. Peter Ernerk to recognize the clock, question being called. All in favour? Down. Contrary? The motion is carried.

---Carried

I have a request here by two Members to place Information Item 13-65 on the order paper for tomorrow, Mr. Clerk, so when you read the orders of the day would you kindly include that? Mr. Fraser.

MR. FRASER: Mr. Speaker, could I have unanimous consent to go back to Item 6, notices of motion.

MR. SPEAKER: I have a problem with that, Mr. Fraser, and that is that the House has directed me to recognize the clock. The only thing I can see you doing is ask unanimous consent to waive the Rules temporarily to permit you to do that, because as I see it, otherwise I have got to recognize the clock in compliance with that motion.

MR. FRASER: Mr. Speaker, could I have unanimous consent to waive the Rules so I could go back to Item 6, motions?

MR. SPEAKER: Gentlemen? The ayes seem to have it.

MR. FRASER: Item 6, Mr. Speaker, notices of motion.

MR. SPEAKER: Proceed.

Mr. FRASER: Mr. Speaker...

MR. STEWART: On a point of order. I said "nay" and I understood he required unanimous consent.

MR. SPEAKER: Were there any "nays"? I am afraid you do not have unanimous consent, Mr. Fraser. I did not hear any "nays".

MR. FRASER: Thank you, Mr. Speaker.

MR. SPEAKER: Do not thank me. Gentlemen, that being the case, I take it that there are no announcements for tomorrow. Mr. Clerk, orders of the day.

Orders Of The Day

CLERK OF THE HOUSE (Mr. Remnant): Orders of the day, May 17, 1978, 1:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Questions and Returns
3. Oral Questions
4. Petitions
5. Reports of Standing and Special Committees
6. Notices of Motion
7. Motions for the Production of Papers
8. Motions
9. Tabling of Documents
10. Second Reading of Bills: Bill 20-65
11. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bill 20-65, Recommendation to the Legislature 1-65, Tabled Document 4-65, Report on Alcohol and Drug Abuse, Information Items 2-65, 12-65 and 13-65, Motion 7-65
12. Third Reading of Bills
13. Assent to Bills
14. Time and Place of Next Session
15. Prorogation

MR. SPEAKER: This House stands adjourned until 1:00 o'clock p.m., May 17, 1978, at the Explorer Hotel.

---ADJOURNMENT

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