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LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES
DEBATES

67th. Session

8th Assembly

Official Report

MONDAY, FEBRUARY 12, 1979

pages 721 to 774

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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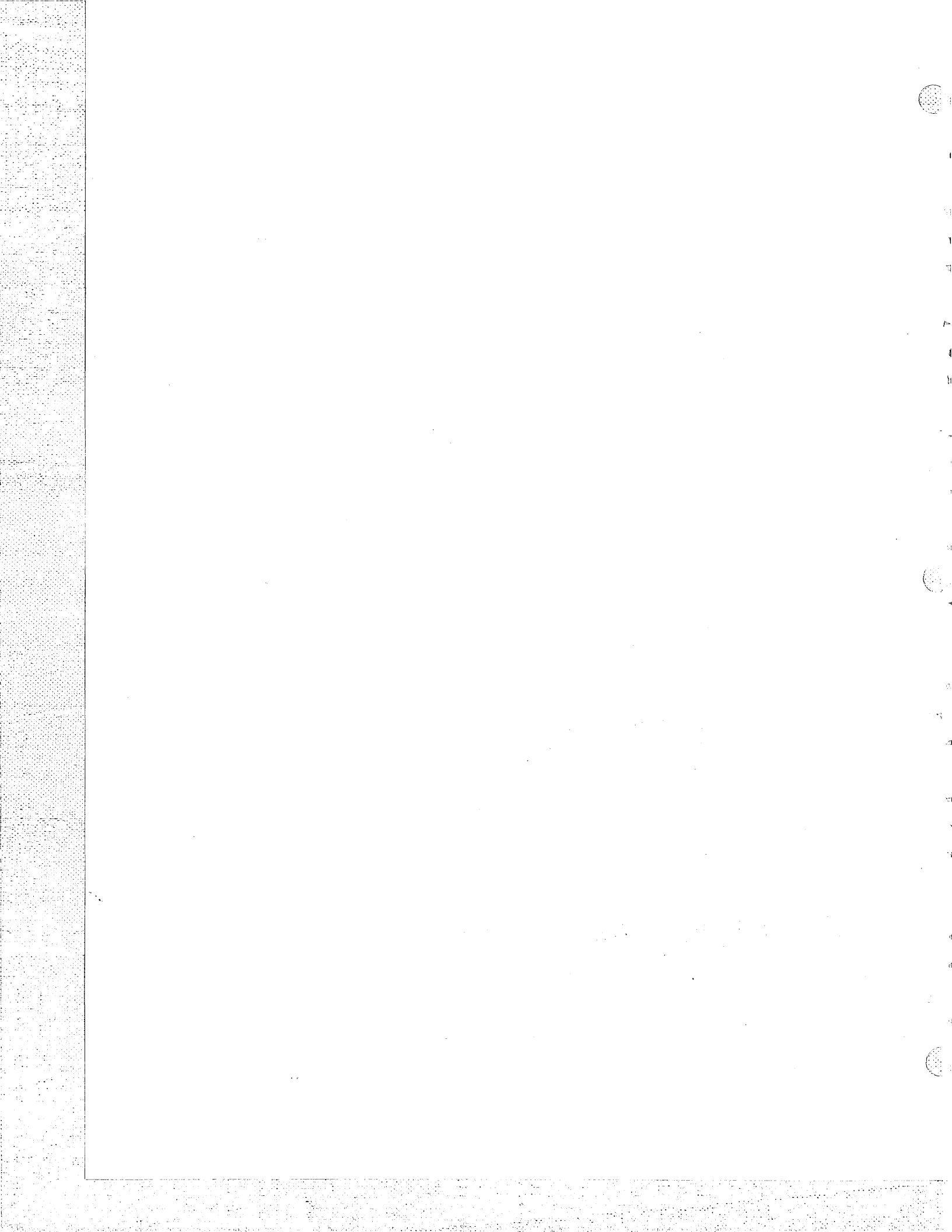
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TABLE OF CONTENTS
12 February 1979

	<u>PAGE</u>
Prayer	721
Questions and Returns	721
Tabling of Documents	723
Consideration in Committee of the Whole of:	
- Bill 7-67 Appropriation Ordinance, 1979-80	724
Report of the Committee of the Whole of:	
- Bill 7-67 Appropriation Ordinance, 1979-80	773
Orders of the Day	773



YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 12, 1979

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

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

ITEM NO. 2: QUESTIONS AND RETURNS

Are there any returns? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, on a point of privilege. I read in the paper today, in the News of the North, that Eric Tagoona, the president, and the board of directors of ITC, the Inuit Tapirisat of Canada, have decided to talk to some other bodies in the Northwest Territories such as the territorial Assembly, in which he indicated that in order to make more progress on political and constitutional rights, we should explore more views for change. I would like to indicate to this House that I applaud the decision of ITC. I think that this will establish a whole new trend of political awareness and the political desires of the Inuit people throughout the Northwest Territories. This will mean giving much more power to the regional Inuit associations in the Northwest Territories, especially in the area of land claims and I would like to congratulate and give credit to Tagak Curley who I am sure has been very instrumental in these recent events. So I congratulate ITC.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Hon. Peter Ernerk, I assume you have succeeded in your purpose which was to make a comment on the ITC, but it was not a point of privilege. Are there any returns? Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Speaker, I have returns to Questions W8-67, W22-67 and W64-67.

Further Return To Question W8-67: Beaufort Sea, International Boundary Dispute.

On January 23, 1979, Mr. Nickerson asked Question W8-67 dealing with the Beaufort Sea, international boundary dispute. The Minister of External Affairs, the Hon. Don Jamieson has advised by telex that the Prime Minister appointed Mr. Marcel Cadieux as special negotiator on this matter in July, 1977. At that time President Carter appointed Ambassador Lloyd Cutler to represent the United States.

The dispute centres around the location of the international maritime boundary between Canada, Yukon, and the United States, Alaska, and concerns waters along the Yukon coast. Canada has taken the position that the boundary should run along the 141st meridian of longitude. The United States claim an "equidistant line".

Negotiations have continued on this matter of Pacific coast boundaries and west coast fisheries since August, 1977, with a number of proposals and counter-proposals being made. To date, the negotiators have been unable to develop an agreed upon recommendation for submission to their respective governments.

Hon. Don Jamieson has asked Mr. Cadieux to forward copies of relevant documentation and maps illustrating the Canadian and American claims. When received, this material will be forwarded to the House.

Further Return To Question W22-67: Financial Assistance, Mill Operations, Fort Simpson

To Question W22-67 asked by Mr. Lafferty on January 26, 1979, concerning financial assistance to Anderson Mills Ltd., of Fort Simpson. A letter was sent to the Executive from Mayor Watsyk of Fort Simpson on this matter and I wish to advise that the Executive reviewed Mayor Watsyk's letter of January 19, 1979, and the following is the content of our reply which was contained in a letter to Mayor Watsyk dated February 8, 1979. Our letter reads as follows:

"Thank you for your letter of January 19, 1979, in which you requested a meeting with myself and/or Mr. Parker together with representatives from the Northwest Territories Housing Corporation, Department of Indian and Northern Affairs, Department of Regional Economic Expansion and the Dene band to discuss Anderson Mills Ltd., the use of forest resources and big game hunting and outfitters.

"Let me first state that I consider Mr. Anderson's business dealing with this government to be private matters and I do not believe that they are appropriate subjects for discussion in a public forum. I have written to Mr. Anderson today with regard to the proposal he presented in his letter to me of January 1, 1979, and I feel that a resolution to that situation can be achieved promptly.

"I am pleased at the interest and initiative shown by the village of Fort Simpson in proposing action which responds to the economic conditions of your community. However, I believe that the meeting you propose would be most productive if it were held with officials of this government more conversant with the details and technical aspects of the matter for discussion than I am. In this regard, I would be pleased to have my officials meet with you at your convenience, and seek to have representatives of the other agencies you identified attend, to discuss the economic prospects and opportunities of Fort Simpson and area as we have done in many communities over the past year. I look forward to your response to this proposal. Signed, S.M. Hodgson, Commissioner."

Return To Question W64-67: Local Economic Development Assistance

Question W64-62, asked on February 8, 1979, by Mr. Nickerson dealt with local economic development assistance or LEDA strategy announced by the federal Department of Employment and Immigration last fall. The Department of Economic Development and Tourism has been advised by Canada Employment and Immigration that the federal government has not as yet developed criteria for this program. In addition, there will be no further details available until the Treasury Board has given final approval later this year.

MR. SPEAKER: Are there further returns?

MR. PEARSON: Point of order. I was not aware that the question period had ended and I have a question.

MR. SPEAKER: It has not started yet.

MR. PEARSON: It has not?

---Laughter

MR. SPEAKER: If there are no further returns then written questions.
Mr. Pearson.

Question W67-67: Training Of Paraprofessional People

MR. PEARSON: A question for the administration. Will the Government of the Northwest Territories consider the training of non-professional people as parapsychologists for use in communities where the need for such services is apparent?

HON. TOM BUTTERS: I will take the Honourable Member's question as notice and attempt to file a reply before the end of this session.

MR. SPEAKER: Mr. Nickerson.

Question W68-67: Fleming Report

MR. NICKERSON: Mr. Speaker, earlier this session the Minister of Health advised the House that he was prepared to make public the Fleming report on the transfer of the remaining provincial-type health responsibilities from the federal to the territorial government. When does the Minister plan to table this document?

MR. SPEAKER: Hon. Arnold McCallum.

Partial Return To Question W68-67: Fleming Report

HON. ARNOLD McCALLUM: Mr. Speaker, that particular report was commissioned by the federal government, the Department of National Health and Welfare, and I am in contact with them now to see whether in fact they have any concern or difficulty in making that report available to Members. I would hope to be able to come back with something to the House tomorrow or the next day if possible.

MR. SPEAKER: Further written questions.

Item 3, oral questions.

Item 4, petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motion.

Item 7, motions for the production of papers.

Item 8, motions. There are none in the book so unless there are some to come directly from the floor there would not be any.

Item 9, tabling of documents. Mr. Nickerson.

ITEM NO. 9: TABLING OF DOCUMENTS

MR. NICKERSON: Mr. Speaker, I wish to table the following document:

Tabled Document 23-67: Northeast Mackenzie District Transportation Study, Phase I, a draft for discussion purposes only. Apparently this was not available to the administration so I took upon myself the duty of making this important report available to the House.

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

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

Bill 7-67, Hon. Arnold McCallum?

HON. ARNOLD McCALLUM: Mr. Speaker, that is correct.

MR. SPEAKER: This House will resolve into committee of the whole for continued consideration of Bill 7-67, with Mr. Fraser in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Bill 7-67, Appropriation Ordinance, 1979-80, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-67, APPROPRIATION ORDINANCE, 1979-80

THE CHAIRMAN (Mr. Fraser): The committee will come to order and I would direct your attention to Bill 7-67, page 12.04 and would the Minister of Economic Development like to bring his witness in? Is it agreed?

---Agreed

Hon. Tom Butters, if you please.

The Department Of Economic Development And Tourism

HON. TOM BUTTERS: A couple of replies to questions asked over the last three days, in which we have been discussing the estimates of this department.

The Honourable Member from the Central Arctic asked about any feedback on the Northwest Territories ice delivered to Japan and the answer is "no". I do know they have not reordered.

The Honourable Member from Yellowknife North asked regarding the advertisement in Oil Week magazine for February 5. He inquired as to whether the department has any plans on producing a publication such as that recently being advertised for sale by the Yukon government. The department has no such plans at present. As the committee would appreciate the preparation of an inventory similar to that envisaged by the Yukon with more than 400 large scale maps and associated indices would be a costly and time consuming exercise. This is reflected in the \$650 price per copy of the inventory. At the present time the department would be pursuing other more immediate priorities. However if the Honourable Member wishes to indicate that we should be making, or taking steps towards such an inventory I would be very interested in discussing the matter with him. I would like to return to him now the advertisement he so kindly provided me and I will also send along the two documents I referred to which really do not directly relate to his question but they are interesting in that they indicate some of the work that the Department of Renewable Resources in the Yukon is doing. I would be very grateful if I could have them back, but he might just wish to see them.

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

Policy On Non-renewable Natural Resource Field

MR. NICKERSON: Mr. Chairman, thank you. Thank you for the reply to the questions I had asked earlier. I was not so much thinking that the Government of the Northwest Territories should engage in an identical exercise to the Yukon. In fact, because of the great expense involved and because much of this information

is already available from other sources I would imagine that we could spend our limited financial resources to more effect elsewhere, but I was inquiring of the Minister whether we have a policy of getting into the non-renewable natural resource field or resources in general and particularly the non-renewable sector. We realize that the stand of the Government of Canada is that the Government of the Northwest Territories shall have nothing to do with resources, whether they be of the non-renewable type such as oil, gas and minerals or the renewable type such as fish and timber. The Yukon government seems to have taken upon themselves a certain amount of responsibility in this field and it seems to be a policy that they are deliberately pursuing of getting into the resources business. I wonder if the Government of the Northwest Territories has a similar type of object in mind. Perhaps, if they have not, I would ask through you, Mr. Chairman, the opinion of the Minister whether or not in his opinion he would think that would be the right route to pursue.

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

HON. TOM BUTTERS: Yes, it is the right road to pursue. We have over the past few months been doing this in a rather unorganized manner and I have myself on behalf of the Executive Committee been acting as liaison for Dome/Canmar and the Yukon pipeline commission. More recently we have been in touch with Polar Gas. The approach that we are now looking at and are moving toward is to establish an interdepartmental resources committee. I know setting up another committee may not be an answer but we are setting up this committee which would involve program departments who are affected directly and indirectly by non-renewable resource activity, exploration and development. This committee is just about to be struck under the chairmanship of the Minister of this department. I trust that it will incorporate, in its terms of reference, a number of the directions that have been suggested to us by the Honourable Member today and in days past.

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

Study On Edibility And Selling Of Sea Mammals

MR. PUDLUK: Mr. Chairman, we have been talking about general comments at the moment. I would like to make a statement to the administration pertaining to economic development. The people of Pond Inlet and Arctic Bay say there have been some talks about drilling between Pond Inlet and Arctic Bay out in the sea. There has been some talk about drilling. I am sure they are going to proceed with the drilling anyway and at the moment the people in that area specifically do not want to see any drilling done. They are concerned about the sea mammals living around that area. They specifically want to get some assistance from Economic Development to study the sea mammals, which species are edible within that area. They would like to know if there is a possibility of selling the sea mammals to make some profit before there is actual drilling being done within that area.

Some time ago the Economic Development director at that time visited the community of Pond Inlet and he met with the hamlet councillors. He was asked about the sea mammals within that area and he had indicated that he would try to assist the people living in that area, perhaps within five years time. To date we have not received any reply and we would specifically want some assistance from Economic Development to survey the sea mammals within that area to see if they could have a chance to sell meat coming from the sea. I am not specifying narwhals. I am dealing with clams and such, the ones at the bottom of the sea. I would like Economic Development to give serious consideration to this and perhaps you should also relay this information to the Canadian government.

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

HON. TOM BUTTERS: Just to say, Mr. Chairman, that I heard what the Honourable Member said. If he can provide me with the date of that meeting between the former director of this department and the Pond Inlet council we will be able to get the minutes and just see what was requested at that time.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Mr. Pudluk, have you got any dates of that meeting?

MR. PUDLUK: Mr. Chairman, I do not specifically know what date. It was some time ago. It was mentioned last night and it was pertaining to this area, but it was a meeting that was held some five years ago. I will look into this and look for the information and relay it to the Minister. Perhaps he may be aware of the former director of Economic Development. He was a big man and he is very thin now.

Project Administration, Total O And M

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. Hon. Tom Butters will try to get the information for you. I direct your attention to page 12.04, total O and M, \$1,575,000. Agreed. Mr. Pearson.

MR. PEARSON: What is the status of the industry at the moment, project administration, \$1,575,000? What is that money used for, wages? Are some of these projects in fact making money, are they successful?

THE CHAIRMAN (Mr. Fraser): Mr. Pearson, I think you have the blue folder.

MR. PEARSON: I know that, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): I think it is broken down in the blue folder.

MR. PEARSON: I asked a question whether these projects, so-called, are successful. Are they making money? You are asking us to invest \$1.5 million in it. What is going on there?

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

HON. TOM BUTTERS: Mr. Chairman, as I indicated in my opening remarks, there are 33 projects. The detail on projects comes up on page 12.05. The figure the Honourable Member referred to covers the project administration aspect and includes travel of \$149,000 and professional services of \$282,000, which figure would include feasibility studies on existing projects and consulting services, and advertising and promotion, materials and supplies, \$227,000, rents and leases, \$30,000. So what I am just indicating here is that the amount the Member has indicated is in the project administration area. If he wishes to look at some of the projects maybe we can approve this section and get into the project section detail on page 12.05.

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

Funding For Project Administration

MR. PEARSON: I see in the 1977-78 budget \$1,572,000 and in the 1979-80 budget, \$1,575,000. It is actually a decrease, I think, is it not, in the amount of money being spent in this particular year in this area? Is there any reason for this or is there any reason for no more growth?

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

HON. TOM BUTTERS: As the Member recognizes, this is a time of constraint and I think the Assistant Commissioner pointed out earlier on in the budget session we would be seeing some three million dollars stripped from the total budget that we are currently examining. I will do everything I can to prevent that from occurring to this department, but at the present time we are subject to such cutbacks as any other department. I heard what the Members said about the need to maintain strength in the area of economic development and I will certainly do that. This particular section though deals with expenditures for project administration. I just read out some of the major areas in which those funds are allocated. The projects themselves come in the next section on page 12.05. If the Members wish to take them both together, I can give some background on some of the projects that are presently going forward.

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

MR. PEARSON: I can sympathize with the administration that there are some cutbacks but why would cutbacks occur in an area such as this which is important to the economic development of the Northwest Territories? Are you cutting money out of it? I do not believe it. What happened to the vehicles they purchased this year and how many civil servants have been given raises and how many houses are being built for southern Canadian people living in the Northwest Territories? How many more jobs have been created in the last 12 months by this department? I suspect very few. If this is where the government is cutting down its spending in economic development, then God help us all.

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

Need For Increased Expenditure To Stimulate The Economy

HON. TOM BUTTERS: I just pointed out what we are facing perhaps. I will defend the department's estimates to the best of my ability to make sure that cuts do not occur here, because I agree with the Member that this is one area in which we need to increase the expenditure and allotment the area which stimulates the economy and our northern economic community. I will attempt to do my best to ensure that cuts are not made in this area. I agree with the Member, it is important.

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

MR. STEWART: Thank you, Mr. Chairman. At noon Mr. Justice Berger made another very profound statement relative to the Northwest Territories, he has not changed his mind on controlled development, but has moved development to the position of no development. His statement was that the wilderness must be protected at all cost and so we are still being blessed with words from that particular source.

Hon. Tom Butters, I would ask you, on Friday, if my memory serves me correctly you said that Fort Resolution, or the Slave River sawmill, whichever, was now a federal responsibility. Does that mean, sir, that this government will not be contributing any further money to this project?

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

HON. TOM BUTTERS: Mr. Chairman, my understanding is that the Department of Regional Economic Expansion personnel did a study on the sawmill at Fort Resolution and its operation and as a result of that study has recommended that any financial subsidies to be paid to that operation be made from the federal treasury and not from the territorial budget. I believe there is one territorial civil servant who sits on the board of directors of that sawmill but I think he is required by the corporate strictures of trust to just provide his expertise to the board of directors' decisions.

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

MR. STEWART: I understand that, but what I would like to know is whether or not this committee's recommendation is being followed through or will it be like a lot of other recommendations where we end up with a particular white elephant on our lap again next year?

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

Territorial Government Position, Slave River Sawmill

HON. TOM BUTTERS: Mr. Chairman, no, there is no intention for this government to get involved further with the Slave River sawmill. However, because I am not too sure of my facts I will check that out and if there is any change in that reply I will inform the Honourable Member before the budget discussion is completed.

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

MR. NICKERSON: I would not like the recent exchange between the Honourable Member for South Baffin and the Minister of Economic Development to go completely unchallenged. I think that their view might not particularly be the view of this whole committee. First of all, I would say that when one of our Members serves on the Executive Committee, I would hope that he takes a broad view of the Government of the Northwest Territories. I would hope that he acts not solely in his capacity as a representative of any particular department. I would hope that when decisions come to be made on such things as cutting down costs within the government we do not have a free-for-all in the Executive Committee meeting with each Minister staunchly defending his own estimates and refusing to cut. I think they should take a broad view of the government and if you happen to be a Minister of a department where cuts can be made I would hope that the Minister would put that forward and say: "There is an area in my department that is probably not as important as some other people's departments and I will be prepared to cut in this area and I recommend that to the Executive Committee." So I do not like it when Ministers become the captives of their department. I think they have to look in much broader terms.

MR. PEARSON: Hear, hear!

Order Of Priority, Various Departments

MR. NICKERSON: Secondly, the question of priority in the entire scene of things, Economic Development, each department we have in this government is important and each has a function and it is not a point -- you can not create a list with one department having top priority and the next one on the list slightly down to the bottom rung. Within each department there are some very important things to be done. However, if you do look at the government as a whole, you recognize that our Department of Economic Development at the present time is not able to deal with some things that have a real economic impact in the Northwest Territories because they are very much under the control of the federal government, such things as oil, gas, pipelines, railways, mines, forestry, fish, all these important things. I would be inclined to say that if you have to assign priorities I would put Education at the top presently and Health second and if you have to cut funds it might be that you could cut a lot more funds from the Department of Economic Development than you could be expected to do with respect to Education or Health. So, I do not think the previous exchange should be allowed to stand without some clarification, Mr. Chairman.

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

HON. TOM BUTTERS: I heard the comments of the Honourable Member, Mr. Chairman.

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

MR. PEARSON: Just to repeat what I said the other day that without an economy what is the point of having education? Mr. Chairman, if there are no jobs for these people to go to, what is the point in training them? If the country has no economy it has no soul, it has no guts, there must be something with which to make a living and the root of the problems in the Northwest Territories are economic. The root of the problems in the Northwest Territories are economic. The problems facing the native people in the Northwest Territories today are economic. There are hundreds of graduates, so-called, from schools and there are no jobs. I would say, Mr. Chairman, that the priority, contrary to what Mr. Nickerson may think, is the economy.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. I do not know if that was a question. Hon. Tom Butters.

HON. TOM BUTTERS: Mr. Chairman, with regard to a specific reply to Mr. Pearson's question as to why the amount is reduced this year, I am informed by a little note which says that, "\$87,000 was transferred from the allocation to the directorate with the idea of consolidating the transportation and communication allocation". So, the decrease is not a diminishment of this section's budget.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. We are on page 12.04 in the amount of \$1,575,000. Is it agreed? Hon. Peter Ernerk.

Feasibility Studies On Products From The Sea

HON. PETER ERNERK: Mr. Chairman, just to indicate to the House that I think that Mr. Pudluk's question was not answered properly. Mr. Pudluk could speak for himself but I think what he was really trying to get at was the fact that before any major development such as drilling programs in the Pond Inlet area begins, he would like to see the Government of the Northwest Territories do a study with respect to the feasibility of establishing a fisheries industry, things like that; for instance, possibly shrimp or halibut, things like that, but I would not want that to go by without getting the point across to yourself, Mr. Minister.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. I have Mr. Steen next but possibly Mr. Pudluk might like to reply to that statement made by Hon. Peter Ernerk. Mr. Pudluk.

Motion Re Fishing Industry In Eastern Arctic

MR. PUDLUK: Mr. Chairman, the Department of Economic Development does not seem to be taking this too seriously, what I mentioned earlier on. I would like to make a motion, I would like to get the territorial government to do some investigations at Pond Inlet and the Arctic Bay area concerning the sea mammals to see if there is any feasibility in getting money or to get an investigation for the Inuit of that area before the offshore drilling goes ahead. That is all.

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

HON. TOM BUTTERS: Mr. Chairman, the government is certainly taking the suggestion very seriously. The Honourable Member referred to a meeting which had occurred between a former director, Dr. Tom Espie and the hamlet council of Pond Inlet some five years ago and that a promise or some statement had been made by that director to the council at that time. I indicated to the Member that I would find out what was said and attempt to determine what actions have occurred as a result of that statement.

With regard to the Member's motion, as we discussed during Hon. Peter Ernerk's estimates, the territorial government has no dimension for doing fisheries research. Admittedly there was a great deal of research done in the Western Arctic prior to the offshore development in that area but the research was not done by the Government of the Northwest Territories. It was done by the federal Department of Fisheries and was done by biologists hired and working for either the companies themselves or for research bodies that were funded by the companies but working independently of them. So, we will accept a motion if it passes but I would point out to the Member that there is no fisheries research dimension as part of this government at the present time.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. We have a motion on the floor and Mr. Pudluk would you like to read that motion back? Was it a motion or just a statement?

MR. PUDLUK: Mr. Chairman, that was a motion. I was not just making a statement.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. It was a statement, Hon. Tom Butters, and will you check into it for Mr. Pudluk?

HON. PETER ERNERK: It was not a statement.

MR. PUDLUK: It was not a statement but a motion.

THE CHAIRMAN (Mr. Fraser): Would you give me the motion again so I can read it back to the House?

MR. PUDLUK: I will try. Mr. Chairman...

THE CHAIRMAN (Mr. Fraser): We will recognize Hon. Peter Ernerk while Mr. Pudluk is writing out the motion.

Fisheries Study To Aid Economy Of Pond Inlet

HON. PETER ERNERK: Mr. Chairman, maybe because of language differences, Mr. Pudluk is not getting the message over to the Minister. It is not so much a fisheries project, as I understand it, that Mr. Pudluk seemed to be getting at. I think if I copied the motion correctly, Mr. Chairman, what he seems to be getting at is for the Government of the Northwest Territories to do a feasibility study on whether or not it would be possible to establish at some point in the future a shrimp or halibut project for economic purposes for the people of the Pond Inlet area. This seems to be the crux of the motion itself. He would like your department to do a feasibility study as to whether or not it is possible to set up a business at some point in the future before offshore drilling programs begin, start up there. Maybe this is something that he is going to say.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. Mr. Pearson, do you understand the motion? Do you want to talk to the motion?

MR. PEARSON: I have made motions like this myself in the past. I think it is incumbent upon the department. Hon. Tom Butters indicates it is not. They do not have the capability. That may be so, but they do know ways and means of achieving the same end. All that they have to do is contact the Department of Fisheries in Newfoundland and they will willingly send a trawler into the region and do the research for them. It is possible for the territorial government to, in fact, get involved in this project itself by acquiring the services of a trawler from the Faeroe Islands or possibly from southern Canada, Newfoundland and have that ship do some fishing for them in the Davis Strait. It is quite a normal thing to do.

Newfoundland Trawlers Could Do Research

There are some countries which are fishing in and around Baffin, offshore Baffin Island, but now with the 200 mile limit it has changed the whole picture of the fishing industry and many countries such as the Faeroe Islands are now unable to make a living because the boundaries have cut them out of so many parts of the ocean. To repeat, it would be quite a simple matter for the department to recruit the services of a company, some trawlers for fisheries out of Newfoundland to do it for them. I suggest they do it this next season so we can ascertain if there is a viable industry in that area for which native people could be trained to work on, shipment of the product of course would be a very simple matter. It could be flown fresh to markets in southern Canada from places like Frobisher Bay. There is a tremendous market for shrimp, fish. The Deputy Commissioner shakes his head, but I can assure him I have examined it and gone to quite a lot of trouble. I am getting smoked out here, Mr. Chairman, by my colleague with his cigarette. The government should consider it. It is a very viable possibility and I suspect that now that the department has actually cut some money from its budget it is going to be difficult to embark on a new project but perhaps the Executive could re-think that.

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

HON. TOM BUTTERS: Mr. Chairman, the point made by the Member a few moments ago was also made at the Baffin regional economic development conference in December and the point was also made by the Member from South Baffin. At that time the departmental officials present agreed that the area that had been outlined to them required research and exploration and that they would proceed as effectively and efficiently as possible to investigate not only the southern Davis Strait area, but the coastal waters off the eastern shores of Baffin Island. If the Member representing Pond Inlet wishes to add Pond Inlet as well, the department welcomes the suggestion. We will do the best we can but, as I have indicated, resources are limited.

Recognition Of Hamlet Councillors From Sanikiluaq

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. While we are waiting for the motion to be written, I would like to recognize the Sanikiluaq delegate from the hamlet council in the gallery.

---Applause

To the motion.

MR. NICKERSON: We do not know what it is yet.

MR. KILABUK: Mr. Chairman, pertaining to the motion Mr. Pudluk just made I also understand in the Baffin region that when we met with the Department of Economic Development we sort of made an agreement with the Baffin Island region that a decision would be made, things would have to be rethought at the Baffin regional meeting, that was my understanding when the Department of Economic Development held a meeting in Frobisher Bay in December. I recall this. I just wanted to mention it. Thank you.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Kilabuk. I have the motion here now. I move that the territorial government initiate a study before the commencement of offshore drilling to determine the feasibility of establishing a commercial fishery in the area between Pond Inlet and Arctic Bay. Is that your motion, Mr. Pudluk?

MR. PUDLUK: Yes.

THE CHAIRMAN (Mr. Fraser): To the motion. Hon. Tom Butters.

HON. TOM BUTTERS: Would you read it again please?

THE CHAIRMAN (Mr. Fraser): Yes. I move that the territorial government initiate a study before the commencement of offshore drilling to determine the feasibility of establishing a commercial fishery in the area between Pond Inlet and Arctic Bay. To the motion. Mr. Pearson.

MR. PEARSON: I think something got lost in the works there, Mr. Chairman. I would not support that motion for two reasons. One, the provision "before offshore drilling" and the other "between Arctic Bay and Pond Inlet". That is not acceptable and I would ask the Member who made the motion to modify it or I will not support it.

THE CHAIRMAN (Mr. Fraser): Mr. Pudluk, do you want to correct that motion?

MR. PUDLUK: Maybe we could recess for five minutes and I could reword that.

THE CHAIRMAN (Mr. Fraser): Agreed?

---Agreed

The committee will recess for five minutes.

---SHORT RECESS

Motion Re Fishing Industry In Eastern Arctic, Reworded

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and I call the Members back to order. I have the motion. I will just read it out: I move that the Government of the Northwest Territories be requested to examine the feasibility of a fishing industry in the Eastern Arctic. To the motion. Mr. Pearson.

MR. PEARSON: I think that is a good motion, Mr. Chairman. It is exactly in keeping with the intent and I very strongly support it.

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

HON. ARNOLD McCALLUM: I did not say a word and I do not intend to.

THE CHAIRMAN (Mr. Fraser): Keep your hands down then. Mr. Nickerson.

Fishing And Exploration Under Federal Control

MR. NICKERSON: The motion now appears to reflect the wishes of this committee. I doubt if it will have any difficulty in passing at all. The removal of the reference to oil drilling or hydrocarbon exploration in the area is good. In many parts of the world, for instance, the Gulf of Mexico, the Dogger Bank, and I believe, the Faeroe Bank, it has been shown that both of these activities can take place at the same time, fishing and hydrocarbon production which are by no means mutually exclusive. They can both be carried on at one and the same time and very successfully so. So I am pleased that the reference to the exploration work in the Davis Strait is being deleted from the motion. Had it been left in there, since it is the Government of Canada that unfortunately controls both the hydrocarbon resources and the fishery resources in the area they would not have done very much about it because it is obviously in the national interest that that work be carried out in the Davis Strait area. I have no difficulty supporting this motion as it reads at present at all. Undoubtedly there are fisheries resources that can be successfully exploited in that area, just as they are being exploited successfully in Greenland. There might be certain technical difficulties, you might run up against difficulties because of the season, the short length of the season with open water when fishing vessels can get into the area, but I think it is work that should be done. I do not know how extensive it would be or to what extent we would be able to carry on this research work but it is certainly something that should be looked into.

Motion Re Fishing Industry In Eastern Arctic, Carried

THE CHAIRMAN (Mr. Fraser): Question being called. All in favour? Against? The motion is carried.

---Carried

Comments of a general nature on page 12.04 in the amount of \$1,575,000. Agreed? Mr. Pearson.

MR. PEARSON: Mr. Chairman, there is still...

THE CHAIRMAN (Mr. Fraser): I am sorry, I have Mr. Steen's name down. Mr. Steen.

MR. STEEN: Mr. Chairman, in view of what was said about the sawmill in Bear River, the one the government has spent \$25,000 on to get it in there, now that they have discovered there is a sawmill in Norman Wells, what are they going to do with this \$25,000 sawmill?

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

HON. TOM BUTTERS: Mr. Chairman, I thought I indicated yesterday that the mill at Fort Franklin is a community mill, although there seems to be some argument

as to who requested it. It is situated in Fort Franklin and the manner in which it is used and the determination for its future would be in the hands of the the community.

THE CHAIRMAN (Mr. Fraser): Hon. Tom Butters, just for the record, perhaps you might correct that statement, we did not sit yesterday, possibly Friday.

HON. TOM BUTTERS: It has just been an awful long week, Mr. Chairman.

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

MR. STEEN: Another probing question, Mr. Chairman.

---Laughter

What was the request to get that sawmill into Bear River? What are they going to use it for? What are they going to saw with it?

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

HON. TOM BUTTERS: I will have to go back to the file and try and find the document which was tendered to the government to put that mill in place. I just do not know and I do not think Mr. Shead does either. So I will try and find the operative document for the Member and report back to the committee.

THE CHAIRMAN (Mr. Fraser): Thank you very much. Perhaps you could contact Mr. T. D. Daniels, he was the one who helped to install it. Thank you, Mr. Steen. Mr. Pearson.

MR. PEARSON: Nothing. I have nothing further to add, I have already said it.

Project Administration, Total O And M, Agreed

THE CHAIRMAN (Mr. Fraser): Page 12.04, total O and M, \$1,575,000. Is it agreed?

---Agreed

Project Administration, Total Expenditures, Agreed

Total expenditures, \$1,575,000. Is it agreed?

---Agreed

Projects, Total O And M

Page 12.05, total O and M, projects, Department of Economic Development, \$4,217,000. Is it agreed? Mr. Pearson.

MR. PEARSON: Could we have an outline of some of the projects?

HON. TOM BUTTERS: Mr. Chairman, in the Baffin region, projects are the Frobisher laundry, Frobisher knitwear, Frobisher jewelry, Frobisher craft shop and Pangnirtung weaving. Projected operational cost, 1979-80 for all those projects are some \$847,000 and revenues for the same five projects are estimated at \$415,000. For the Inuvik region the Tuktoyaktuk fur shop, the Aklavik fur shop.

MR. PEARSON: Could you speak up please?

HON. TOM BUTTERS: The Tuk fur shop, the Aklavik fur shop, the Inuvik sewing centre, Fort McPherson canvas shop, Paulatuk crafts and the Delta handicraft kits; the projected operating costs for these projects in 1979-80 is \$1,740,000 and anticipated revenues during the same period of time is \$1,270,000.

The Fort Smith region: Fort Resolution craft shop, Fort Simpson craft shop, Rae handicrafts, the Nahanni Butte store, the Baychimo store, Rae Lakes store, Cambridge Bay fisheries, Pelly Bay fishery, the Yellowknife antler project, the Hay River furniture, Fort Liard crafts, Pelly Bay crafts, Gjoa Haven crafts, Snowdrift crafts; the projected operational costs for those projects for 1979-80 are \$800,013 and the projected revenues are \$383,000 for those projects.

In the Keewatin: Baker Lake sewing, the Rankin Inlet fish plant, Rankin Inlet retail, Chesterfield Inlet arts and crafts, Whale Cove arts and crafts, Eskimo Point carving, Eskimo Point sewing, Rankin Inlet sewing; projected operating costs for 1979-80 for the projects just provided are \$817,000, anticipated revenues from those projects over the same period of time is \$232,000.

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

MR. PEARSON: That was a complete inventory was it of the projects outlined under this item?

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

HON. TOM BUTTERS: I thought that was what the Member was requesting.

MR. PEARSON: Just checking. So, and stop me if I am wrong, but it would appear that not many of these are making very much headway financially.

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

Social Capital Dollars

HON. TOM BUTTERS: That is correct. I think that this was one of the questions raised three or four days ago, I now forget when, but Wednesday or Thursday, by the Honourable Member from Hay River, pointing that there were almost three types of projects in which we are apparently engaged, projects in which the social value is worth the investment, that is, the socio-economic type program which will probably never be viable, the project that is expected to become viable but at the present time is not so and which requires further investment and growth; and a project which could be established, or is being established or has been established in a community and recognized as being of great value to that community, so that the government would subsidize it even if it is not viable.

However, this is one question that this committee has constantly refused to address itself to; just how many social capital dollars do we invest to make a dollar? Yes, the projects as the Member pointed out are not in the main making money, but they are putting money in people's pockets. The work that is being done for those dollars is honest work, and as the Member from the Western Arctic pointed out many days ago, freedom and independence depends upon the amount of money you have rolling around in your pockets, money you have earned yourself. The projects which are enumerated for the Honourable Member employ 136 people on a full time basis and 592 people on a part time basis.

THE CHAIRMAN: Thank you, Hon. Tom Butters. Mr. Pearson.

Projects Not Viable After Eight Years

MR. PEARSON: I must take umbrage with one of the statements that the Minister just made, that freedom and independence means having money to roll around in your pocket or words to that effect. Surely freedom and independence means an economically viable business, not one which is dependent on government handouts to keep it going year after year. Some of these projects which he has just outlined have been projects of this department since I have been in this House, some eight years, and they are still losing money and floundering and flopping around like a fish out of water. I do not see any signs in what you have -- it is unlikely, and I know you have not detailed the projects, but I see no indication that any of these projects are any more viable now than they were eight years ago, and they are still throwing money after them. Surely, Mr. Chairman, the ultimate goal is to attempt to make some of these projects successful. I recall Omar the tentmaker from Fort McPherson, or somewhere, apparently they are down to making mail bags because tents do not sell so well or something like that, but it has not worked, and we will continue to put money into that project.

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

HON. TOM BUTTERS: Mr. Chairman, just to correct the Honourable Member from South Baffin, whether or not the project is subsidized does not take away from the fact that people who work on that project put in eight hours work and they make the money they get honestly. It is not a handout and if you read the text you will see what you said. I am saying that those people earn their days wages and the fact that a project is subsidized makes no difference to their contribution.

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

Freedom And Independence Versus Subsidization

MR. PEARSON: That has been the reply from the Minister. Can the Minister give us any indication that any of these projects are likely to become viable, honestly viable, not subsidized? I know what it means to go to work every day and I am not suggesting for one second that the people in those projects are not working to earn their money. I am suggesting -- where is the freedom and independence you are talking about? Freedom and independence does not come with a subsidized business, it comes with an honestly -- "honestly" is not the right word, but it comes with a viable business which is productive and which is in fact a sound economic proposition. So, Mr. Chairman, there must be opportunities, all kinds of them, in the Northwest Territories for people and communities to have economically viable businesses. What it requires of course, is the thing that is hard to find, competent people to set them up in such a way that they will become economically viable, that is, people who understand what it is to work and to make a business work.

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

HON. TOM BUTTERS: There are economically viable businesses in the territories and the Member well knows that. We are not talking about all the businesses in the territories, we are talking about some of the projects that are being assisted and to a certain extent financed by the Government of the Northwest Territories through this department. If the Member wishes to have all non-viable projects cancelled then he should make a motion and put it forward. If you can not accept projects that are not viable then let the committee vote on it and let us see. Maybe we can use the money elsewhere and put 600 or 700 people out of work. But make the motion.

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

Situation In Baffin

MR. STEWART: Mr. Chairman, I would certainly support the Honourable Member from South Baffin, Mr. Pearson, if he wanted to take that step with regard to the Baffin region. I notice they are operating at over 50 per cent loss and by doing this we are also corrupting the morals of the people who are working on this. I certainly think, Mr. Pearson, you should move that we strike this \$200,000 off for the Baffin region and I will support your motion.

---Laughter

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

MR. PEARSON: The Minister is using the old tactics of the federal and territorial governments, called the twisting approach. Instead of answering the thing in an honest way he twists it and distorts it to the point where he makes me the villain. That is a clever trick.

---Laughter

HON. ARNOLD McCALLUM: Fair is fair.

MR. PEARSON: I come out the tuunqaralaak, but the department...

MR. PUDLUK: Little devil?

MR. PEARSON: The department is the agency responsible and I have asked the Minister to give me some indication of where his department is going and he comes out with an irresponsible response to my question. "Well, Mr. Pearson, if you would like to cancel projects in Frobisher Bay and throw those dear starving people out of work go ahead", and of course, the other gentleman pipes up and says "I will support you." It is not an honest approach.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. I recognize the clock as coffee time. We will recess for 15 minutes and you can fight it out in the coffee shop.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and calls the committee back to order. I have Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, I have heard some rumours I guess you would call them, that the project in Tuktoyaktuk is in some difficulty. In order to find out whether or not this is true I wonder if we could have made available to us the last auditor's report on that particular project.

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

HON. TOM BUTTERS: Yes, Mr. Chairman, that report can be made available, not at this immediate moment but I think the Member could have it before the budget session is over.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. I have Mr. Whitford.

Canvas Factory In Rae

MR. WHITFORD: Mr. Chairman, some time ago when Hon. Peter Ernerk was the Minister responsible for Economic Development, he indicated to me that there were plans going ahead or under way to, in fact, establish a canvas factory in Rae not only to employ people in the community but as well it would have taken a large market, including Rae Lakes, Rae itself, Detah village and benefit other people in the city of Yellowknife who want to buy tents or covers for skidoos, these types of things. I just wondered if the Minister -- I notice when he read out his plans nothing was indicated in there that this would be included.

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

HON. TOM BUTTERS: I do not know what commitment the Hon. Peter Ernerk may have made to the Member from Great Slave Lake or the people of Rae. I will try and determine from correspondence if any commitment was made or the degree of commitment. Having said that, I would point out that if the Honourable Member has met any Fort McPherson people who might have been visiting these parts in the last few months then he would have heard from them that they are very unhappy about the transfer or the proposed transfer of that factory to the Rae centre. From my visits to Fort McPherson I have found the chief at Fort McPherson and the chairman of the local council are very adamant that either that project or a similar project should be made in their community. But I will definitely check and see what commitment was made to the people of Rae.

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

MR. WHITFORD: Mr. Chairman, we realize it did cause some concern in Fort McPherson, but we were hoping that there would have been a second factory built and that factory, as I say, would have served the upper Mackenzie, this outer area here. It would have been a lot cheaper to bring the canvas in, as well as the sales of it. That is what I was talking about, there was some consideration to putting a second factory at Rae.

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

Feasibility Study Ongoing

HON. TOM BUTTERS: Yes, Mr. Chairman, the Member is correct. At this time there is a feasibility study going on, or presently being carried out, by Peat Marwick regarding the viability of such a project at Rae. I do not know when the report is due, but apparently it is ongoing.

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

MR. WHITFORD: Mr. Chairman, I believe I am in the right area under projects for discussing the complex that is intended or planned to be built in Rae by the people at some time in the very near future. I am just wondering if the department is up on what is going on there, meeting with those people and encouraging them to build this complex which would include a store and office space above the store. It will be viable definitely. All the studies have been done and taken care of and I am just wondering if the Minister has yet had a chance to meet and discuss the progress with the people from that community.

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

HON. TOM BUTTERS: Mr. Chairman, maybe I could make a brief reply to that last question. The understanding I have is that the project is in federal hands in the main and that the territorial involvement would be by invitation only at this point in time. There is a commitment to decentralize certain administrative functions now being carried out in Yellowknife to Rae when the Rae complex is completed. My understanding is the department would accept a request to go and meet with the people, if that is what the Member is suggesting. If that request is received they will go but they have not gone to date I do not think.

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

Supplies Purchased Outside Territories

MR. STEWART: Mr. Chairman, I was slightly facetious with my friend from Baffin, Mr. Pearson. I really share his concerns relative to the problem inherent with the Department of Economic Development. One of my largest concerns really revolves around a factor that we have got into knowingly or unknowingly over the years and that is in your budget, the amount of money we are spending is money for supplies that are purchased outside of the territories. This is particularly true with your garment industry and the number of dollars actually left in the program, which is badly in deficit, is not necessarily going to wages to people in the Northwest Territories but is going to buy material that we are not selling sometimes at a break-even point. It is probably true that the garment industry per se is not a competitive market for the Northwest Territories. We have to buy our duffel from outside and we can produce fur but we ship it out and we do not even get the same fur back, we buy it back. In the canvas project, I have not seen the figures on it but we are in a similar sort of situation, where we are having to import high cost materials and we are going into a highly competitive market with the production ratios that outside plants can put out as compared to what we can do.

The net effect is that although we are spending a great many dollars, the end dollar value that is staying in the community is a very small portion of those dollars. I think that this basically is true in most of our projects. That is one of the reasons why anything we produce in the territories that we can build an industry on, even if our losses appear on paper to be higher, the goods are actually produced or manufactured in the territories and the work is being done then to put the article into the market place. We are still further ahead. For example, a fishery where we are catching the fish here and paying the fishermen, northern people, then the process of canning it or whatever we are going to do with it, we hire some more people. But at least on projects of that nature all of the dollars are staying inside of the territories.

Locally Produced Supplies

The losses of 50 or even 75 per cent are something you can absorb reasonably well but when we are absorbing these tremendous losses and utilizing goods that we are purchasing outside to get ourselves into this fix, it makes the program that much less appealing in my opinion. We should direct more of our efforts to things that we have produced locally, whether it be reindeer meat, fish, sealskins

or whatever. This is the line of attack and this is the place we should be directing our efforts. The garment industry, we might keep it together for a few years, but it is pretty evident that it can not last. It is not making money in pretty nearly every place it is operating and the competition outside is just too tough for that type of an industry in my opinion. Maybe the Honourable Minister would like to reply to these remarks.

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

HON. TOM BUTTERS: Mr. Chairman, the general principle outlined by the Member we have no quarrel with. Certainly the formula he has provided us, if applied, would see a lot more money spent in the territories. Obviously if we can prevent the dollar, can encourage the dollar to move from one other person's pocket in the territories, we are creating a great deal more economic activity, but that does not only apply to these projects. It applies to other goods and services which government buys and which the federal government buys as well. I think the Member will heartily agree that this is just the tip of the iceberg. If we can get into this other area, in housing, in other construction projects, in road building, in many of these other things, that is where the economic viability lies for the whole territories and I for one would like to see us doing that.

Prior Selection Of Fur.

With regard to projects, I think one raw product which is most important to many of these industries and projects is fur. The Member quite rightly pointed out that we are buying Northwest Territories fur on fur markets and exchanges that are currently operating in the southern centres. We bring it back. If there was some way in which we could select that fur prior to the time it goes to auction not only would we have probably the best fur produced in the world, but we should have it at a more reasonable price than we are presently paying. I agree with the Member if that is what he is suggesting. There was one other point but it has slipped my mind at the moment.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. I recognize Mr. Steen.

MR. STEEN: Mr. Chairman, I am very pleased to see that the Honourable Member from Hay River is thinking the same way I am as to viable projects. I think I said the same thing the other day. I think I was talking of a tannery, a general tannery in the Northwest Territories, not one place in every other community but a central tannery, and even if it is not a viable project, even if it does not break even, at least we will not have to go south and buy our furs back after we have sent them out and pay the freight charges both ways. Even if it is a losing proposition at least the people of the North can keep their jobs or would be employed.

The second point I would like to comment on is Mr. Whitford's suggestion of developing another project in the southern part of the territories, but I would suggest to the administration that they had better take a good look at Fort McPherson to make sure they have a market before they put anything in Mr. Whitford's area. It goes to show I guess, that we are beginning to fight over little scraps of business in the territories, the economy is so bad.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Steen. I think that was just a comment, not a question. Mr. Pearson.

MR. PEARSON: Yes, Mr. Chairman. I have two questions. The first one is what is the status of the tent project on the river somewhere? It is a canvas tent project which we were informed about several years ago and the Assembly was given the information that it was to be a viable project. What is its current status? I understand it is no longer producing tents, but has gone into other things, or it may even be closed.

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

Status Of Canvas Factory

HON. TOM BUTTERS: Mr. Chairman, I think that the Honourable Member's assessment is generally correct. I was in there a month ago and at that time the canvas factory was closed. No one was working at the machinery, although the machines were there and the building was heated and there were garments there. I think there had been some suggestion that it would be transferred to Rae, I am not quite sure. As I said I will be getting for the Honourable Member a letter which would indicate the status of that transfer or whatever commitment was made to Rae. However, when I was there I was approached in no uncertain terms by both the band chief and the settlement council chairman and told of the pride that the people had had in that factory, the pride to be providing canvas gun covers and tents and other things which they see to be valuable and which they valued themselves.

I must say I left the community with a desire, or motivation if possible, to see if we could not get something back on its wheels in that community. I understand that we have got or have been able to arrange some contracts from Dome/Canmar, coveralls and various other products which they will need for offshore drilling. Also I approached Bob Blair of the Yukon pipeline, Alberta Gas Trunk line, and received an invitation to visit his establishment to determine if there are any canvas goods which his whole operation is using which might be produced at Fort McPherson. So, we are looking for markets, Mr. Chairman.

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

MR. PEARSON: I think that what should happen with this project -- it sounds so much to me like some of the other projects, it is not working, it will not work and you can not possibly compete; it is impossible to compete in the garment industry. You can not make coveralls cheaper or better than a factory in southern Canada who do it by the thousands every day, or the factories in Taiwan who are flooding the market in Canada with garments. Why even bother to try and get into such a highly specialized business with such a small operation, because that is where these projects are falling apart. If you want to go into something it has to be something exclusively northern, that only northern people can do, that only the people in that community can do and that can be done on a piecemeal basis, so that they make each piece; it is done by hand and it is a special item. But to go and compete, or to even consider competing in the coveralls industry is a total waste of time and money, forget about it.

No Viable Projects

The other question I would like to ask is on the projects, these 50 small scale projects and enterprises throughout the Northwest Territories. How many of them are viable, are there any that are viable, are there any that are producing a profit, any at all?

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

HON. TOM BUTTERS: The answer to the second question is none. I would like to comment on his comments on the garment industry. His reaction paralleled mine. I asked the same question of the people who are knowledgeable about markets, about the cost of producing garments and I was told that we can compete. I was told that we can compete. The supplier to Dome/Canmar last year was not a Montreal or Taiwan firm but an Edmonton firm and the Dome/Canmar people were willing to take the garments provided by northern people. I think you must remember also that not only Dome/Canmar but also Alberta Gas Trunk Line want to provide business to the North. I think that if we can provide a satisfactory product and even if it is a little bit higher priced than that of Taiwan, I think that Alberta Gas Trunk Line and Dome/Canmar will buy the Canadian native made product rather than the Taiwanese product. I know the commercial expert from across the way is going to jump up and down and tell me about the facts of supply and demand but I am just telling him what has been my experience in the response of both of those companies I just named.

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

MR. PEARSON: Mr. Chairman, if the canvas project, or whatever you want to call it, was to produce enough coveralls to give every man on the Dome/Canmar project three pairs each or five pairs each and the Alberta Gas Trunk Line people say two pairs each, it still would not produce enough revenue or profits to pay for the fuel and light to heat the building in which they are working. That is a tuppence ha'penny or Mickey Mouse operation, whereas in a plant in southern Canada, in a company say that makes men's suits, one man with a cutting knife cuts 5000 suits per day, just one man on one table, 5000 suits per day. We can not compete so why waste the time and effort and we will be back here next year with the same questions coming up. They have been happening for the last eight years and things will not change, and of the 50 projects there is not one that is viable.

Now when will this government get some projects that are viable and that can be made viable? That is the question I do want to put to the department and be negative. When will we see the Department of Economic Development in the Northwest Territories come up with some economically viable projects? When will that day come?

THE CHAIRMAN (Mr. Fraser): Mr. Pearson, you are going to have to stock your store with coveralls I guess. Hon. Tom Butters.

HON. TOM BUTTERS: Just to say that if we applied the same rule of thumb that the Honourable Member just applied to the garment industry and applied that to the northern housing industry then we will continue to buy Weber Homes from Saskatchewan for the rest of the century but I see that the Member has another point to make.

Potentially Viable Enterprises

My second point is there are a few projects that are approaching viability. But I would hope that any project, any potential commercial enterprise, in fact I do not hope, I know, it would not be recognized by government people, but that such a potentially viable commercial enterprise would be recognized by a businessman in the community and this is what has happened in many, many areas.

Many native people have seen business opportunities and have gone into business. This department is not running around studying projects just to start projects. Viable projects are not our bag, we have other sections which assist and encourage people to pay for feasibility studies, to assist them in making applications for loans, to assist them in managing their projects, their own projects. So, obviously, the commercial type of enterprise, or the potentially viable enterprises will all have been recognized by some private hotshot in the private enterprise sector.

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

MR. PEARSON: Well, the Minister says that they are not in the business of being in successful business. The Minister has thrown out the word "housing" several times in the last hour and I would like to take him up on it. Has his department made any overtures to the biggest producer of housing in the Northwest Territories, the Housing Corporation, with a view to establishing house construction projects, fabrication, precutting, prefabrication, housing in any shape or form at all?

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

HON. TOM BUTTERS: Mr. Chairman, yes.

MR. PEARSON: Could we have an outline then of the plans and things that they hope to see happening?

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

Housing Industry At Hay River

HON. TOM BUTTERS: Mr. Chairman, I will be repeating if I can remember what the Deputy Commissioner said the other day in response to a question from Mr. Nickerson. I think it was one of the first five questions asked during the beginning of this debate some six days ago, and the answer was, if I recollect, that if the embryonic Hay River development corporation can provide the management expertise at a reasonable profit margin we could see some 25 houses being constructed or put together or cut anyway at Hay River this summer. I forget just how the Deputy Commissioner phrased it, but I believe it was up to that number. So, certainly a beginning is being looked at in that area and we are hoping that it is the harbinger of industry, of a housing industry at Hay River. Possibly the Deputy Commissioner could reiterate or enlarge on what I have attempted to reply.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Deputy Commissioner Parker, do you want to reply to that?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, just very briefly -- since I reported to the House on that subject a week or so ago, at which time I indicated that we were going to take measures within the Housing Corporation to ensure that some of the construction of the component parts was carried out in Hay River this year.

We now have a little further information and experience and it looks like the organization that is being set up to handle this work will not be ready for spring work. That is entirely understandable because they did not get a very early start, but our commitment of support to that group still stands. It may well be in the late summer or September before they get properly at work. We are looking at a couple of units they would be engaged in earlier than that but I think by the fall they would be engaged in some major work in that place which will be for construction the following year. So our commitment remains the same. It is just a matter of getting the organization together in a fashion that they can handle the work.

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

MR. STEEN: Mr. Chairman, I have to comment on Mr. Pearson's comments a little earlier where he said "Why bother with projects that are not viable?" He also said the people in Fort McPherson can not make coveralls better than the people in the South. That is a downright lie. I think the Minister over here, Hon. Tom Butters, is doing the right thing. He is looking for markets for that particular product and not until the people reject such a project should you not bother. I feel that the Minister is doing the right thing. He is on the right track and should be encouraged to do so.

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

Industry Can Not Compete

MR. PEARSON: On a point of clarification, I did not say they could not make garments that were better. I said they could not compete with the industry. You can make coveralls out of gold if you want with lead weights in the legs but you can not compete with an industry that is established in southern Canada. It is ridiculous to even hope to build an industry based on selling a few dozen pairs of coveralls.

HON. TOM BUTTERS: It is 1000.

MR. PEARSON: Big deal! What for, ten dollars?

THE CHAIRMAN (Mr. Fraser): I have Mr. Lafferty next.

MR. LAFFERTY: Thank you, Mr. Chairman. I am rather amazed and dumbfounded sitting here listening very carefully to the comments of my colleagues. With all respect, I think there are a few general remarks that I would like to make. We are economically, I think putting the cart before the goldarned steer.

HON. PETER ERNERK: Horse.

MR. LAFFERTY: We are talking about factory development and the garment industry. I do not think that the cost, considering an industry, would merit developing a factory even in Norman Wells because you would have to fly in the winter if you are going to compete. Secondly, there is only the river system that serves that country three months out of the year. First of all, we have to look at our transportation system in order to develop a viable economy in the Northwest Territories based on renewable resources I believe.

Resource Bases

The question that I have is number one, we are talking about economically viable projects. What are the resource bases that we are developing? Is it land, is it timber, is it fish products, is it the fur industry? The questions are endless. So far as I am concerned we are not getting down to the base of economic development. Rather we are creating more government jobs at southern taxpayers' expense by creating a large administration, services administration. We can bring in the tax dollar, but we are not getting down to resource development. That is necessary in order to come out with independent businesses and therein is the problem. Are we looking at small, viable, independent businesses, or are we looking at creating more government jobs? Mr. Chairman, I have probably a very important question here that I wish to ask the administration. What resources is the administration presently looking at to develop? Is it timber, is it fisheries or what is it, or a multiple of these?

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

HON. TOM BUTTERS: One hates to sing the sad old song that resources, renewable and non-renewable, are in somebody else's backyard. You heard when we discussed the estimates of Natural and Cultural Affairs, the assistance that is being provided to trappers and the type of assistance that this government is extending to people harvesting the raw fur. In fisheries there is a requirement to assist, once the project is operating and I just can not give you the amount of dollars, what one might call subsidy dollars that are being put into the commercial fishing industry. Here I am excluding the Great Slave Lake operation. But we are not in the development of resources unfortunately. We are working in tertiary industry, third down the line.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Do you have a further question, Mr. Lafferty?

MR. LAFFERTY: Yes, Mr. Chairman. We are not in resource development. Mr. Chairman, if this is the case, then what is the administration doing to get a toe hold, which is the common expression used, to engage itself in non-renewable resource development in the Mackenzie Valley or elsewhere wherever it is feasible?

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

Communication With Chamber Of Mines

HON. TOM BUTTERS: At the present time the approach that is being taken is one of involving ourselves in what is occurring in the mineral industry. We have been in communication with the Northwest Territories Chamber of Mines, been in communication and contact with the various petroleum and exploration companies that are interested in exploring and seeking northern resources. Any influence here is very minimal. It is a personal influence mainly, what one can advise them would be good for the territories. There is hope that by these contacts and these communications we can increase the number of northern people who are employed in exploration and in the development programs in the North that may take place in a non-renewable area, but from my short vantage point, and it is not much of a vantage point, I do not think we have very much of a hammer at all. We have got to be there.

I think Mr. Nickerson raised a point earlier on how we are involving ourselves and what we are doing. We are trying to be there, we are trying to be present when these resources are discussed by the federal government and to get a little more in than our two cents worth. I agree. I think that this is not only an objective of this department, but it is an objective of this government and an objective of this House and has been for many years. This is on the road to responsible government as we take over the management of our own resources. How this can be done, you know, I do not have any formula, but certainly I am hopeful that not too far away with the land claims, the resolution of land claims moving closer and closer, that the formula by which we will be managing our resources to a greater extent than we are today will have been determined or developed. But I do not think the Honourable Member from Liard or myself will see that day, unfortunately.

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

Legislature Has Responsibility For Flow Of Money.

MR. LAFFERTY: I have one final question and perhaps a very important question to this Legislature. We have heard up to this time of the efforts of the administration in their attempt to develop renewable resources in the North and because of the position taken by this Legislature early in its life that we would seek a speedy settlement of the outstanding native land claims in the Northwest Territories. Has the administration at any time at all, this administration, the territorial government, referred to any of the comments that they have heard from the native organization leadership back to their people and the constituents, through the elected Member, or did they take it upon themselves to settle whatever differences there are in the various regions of the country? I ask this question because it does affect us directly in the regions. It is also important to note that there are times that native organizations in communities would pick up that phone in complete disrespect of the elected body here, their representatives, and the administration will authorize whatever they wish. Economically I believe that this body has the responsibility for the flow of money in the country, equally with each citizen and because of that I have asked that question. Has the administration at any time at all agreed to any proposed project without the knowledge of any of the Members of the Legislature?

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

HON. TOM BUTTERS: Mr. Chairman, I am not sure of the direction and intent of the question. I do not know that the federal government has required of this administration any decision either way with regard to the development of non-renewable resources. I personally have not seen, and this has concerned me, any indications of any such proposed proposals and plans coming before our administration, plans which I feel sure the federal government would be aware of in various sectors of the non-renewable resource industry. So, I do not think we have ever been required to answer the question or provide a reply to a question such as the Member has asked.

Position Of House Presented By Speaker.

I feel that the attitude of the administration was well represented by the Speaker of this House when he appeared before Mr. Justice Berger, and after that the National Energy Board. I think that the position that was presented by the Speaker on behalf of the House was pretty well the position of the administration. We would like to be more involved in the development of the non-renewable and renewable resources over which we now have no control and we would like to be full partners in that development. I do not know if that answers the Member's question, but I can not provide him with any more specific reply than that.

THE CHAIRMAN (Mr. Fraser): I did not get the question either. What is the question, Mr. Lafferty?

MR. LAFFERTY: What is the question? Mr. Chairman, the question was merely, has the administration at any time at all come to any agreement with any native organizations in the country, or at least given their oral support as to economic reform, or economic development in the Northwest Territories, and that is specifically by native groups? That was my question.

THE CHAIRMAN (Mr. Fraser): Mr. Minister, the question is: Has Economic Development consulted the native people or come to an agreement with the native people on economic development? I think that is the question although I am not too sure.

HON. TOM BUTTERS: I am still having difficulty with the question. I would reply that there was a joint approach with the Inuit development corporation, between this government and that body, there have been approaches to the Metis Association in the past and this will continue. I am hoping that that relationship will improve in the weeks ahead. In the area of renewable resources

certainly the Inuit Tapirisat of Canada was very helpful and most co-operative when the administration was seeking to develop the new Wildlife Ordinance.

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

Production Before Markets Sought

MR. STEWART: Thank you, Mr. Chairman. I want to congratulate the Minister on his efforts with regard to establishing this canvas outfit down river. I must admit however, that he is the most unlikely coverall salesman that I have ever met. But it seems to me that this in part shows a great weakness in the department that these types of things should be staffed and doing these things. There is a great vacuum I think in the department with regard to looking for markets and doing the things that are so necessary. I think we have been guilty in the past of production before we had markets and I think there you have the cart in front of the horse. But the business, you know, of a Minister of a Legislature having to try and sell coveralls, it gets a little bit far out at times. I would just hope that this department would see fit under the reorganizing scheme to get into place a marketing division that is capable of digging out these markets and filling them. At the present time I am afraid we do not have anybody and I sympathize with you because if you did not do it nobody would do it I am afraid.

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

HON. TOM BUTTERS: The Member's point is very well taken. As I mentioned at the outset of the projects section the marketing area has been weak. We have recently brought a new man in, in marketing, whom we are hopeful will correct many of the shortcomings and omissions which have been pointed out to us just now by the Member.

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

MR. PEARSON: I was first.

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

MR. KILABUK: Mr. Chairman, I have a small question. I am wondering if you could just tell me on economic development, I think they are trying...

THE CHAIRMAN (Mr. Fraser): Mr. Kilabuk, I am sorry I did not get the question. Was there a question there?

MR. KILABUK: Mr. Chairman, merely a question. The way I see or understand what the department is all about, to me they are the ones that should be helping people who are starting out. Looking at this figure of 50, if the businesses are going well and they can stand on their own, I would stop assisting them, as long as they are making a profit. When the business is able to handle its own finances I do not think we should assist them any more and that is how I see one of the roles of the Department of Economic Development. It is not just a position -- well, I did not understand all that much what he said. That is my personal feeling on the Department of Economic Development. Therefore I would like to ask the administration how many private businesses have been assisted through the Department of Economic Development? How many more will there be in the future, in this figure of 50? Who will be getting assistance? Thank you.

THE CHAIRMAN (Mr. Fraser): Mr. Minister, I think the question is regarding the 50 on page 12.05, the 50 small scale projects. How many are self-supporting? Hon. Tom Butters.

Correction Of Figure

HON. TOM BUTTERS: I guess I did not make it clear that that figure is incorrect. I think it is only 33. I believe that is the correct number. I think when answering Mr. Pearson's question on the same matter I told him that they were non-viable at the present time, not supporting themselves, but there may be three or four that may be approaching a break-even point. I thought I understood the Member to also ask how many private businesses have been assisted by the department in the past and I wonder if he might clarify if my understanding is correct.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. Mr. Kilabuk, did you get the question?

MR. KILABUK: My question was in the settlements, the sewing centres, the garment shops -- I wanted to know if say, the weaving shop could support itself or if they are still being helped by Economic Development.

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

HON. TOM BUTTERS: Just before I answer that question might I circulate the details on the four pages I read from partially? I regret that I have not had Inuktitut translations done on the left hand side to explain the projects. We are having that done, but if I could circulate the details to Members and possibly some to the press table as well...

THE CHAIRMAN (Mr. Fraser): Is that agreeable if he circulates that?

MR. PEARSON: I was just going to make a remark after listening to Hon. Tom Butters on this new approach in his department, to go out and look after markets. It looks like he is no longer now just a Minister but also the chief salesman, judging by the amount of talking he does. One of the concerns I have with this particular department, Mr. Chairman, is the number of native people...

THE CHAIRMAN (Mr. Fraser): Could you get closer to your mike, Mr. Pearson?

MR. PEARSON: One of my concerns has been the number of native people employed by this department, and I suspect that there are very few native people actually involved in the department. Is that true? I am now looking at the economic aspect of it.

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

No Breakdown On Basis Of Race

HON. TOM BUTTERS: Mr. Chairman, we do not have the employment ratios broken down along ethnic lines. Is that the information the Member wishes to see or to gain from us? I do not have it on the basis of race, how many Dene, how many Inuit and how many Metis. Is that what you wanted?

MR. PEARSON: Yes.

HON. TOM BUTTERS: May I just answer Mr. Kilabuk's question? He was not answered. He asked relative to the Pangnirtung weaving centre, and if you will look on the sheet for the Baffin region, the last two columns show that we are projecting operating costs for 1979-80 of \$144,000 for the Pangnirtung weaving centre. We are anticipating an income during the same period of only \$40,000. So, the project would be quite away a way from the break-even point at the present time.

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

HON. TOM BUTTERS: This sheet, the four sheets which the Members will shortly have, lists the project on the left hand column, the location of the project, the type and activity, number of people employed full time and part time, operating costs for 1978-79, the revenues for 1978-79, the projected operating costs for 1979-80 and the projected revenue for the same year. I will try and get the Inuktitut version as quickly as possible.

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

MR. PUDLUK: Mr. Chairman, I have one short question here on these sheets we have just received. Now, under the amount of money...

THE CHAIRMAN (Mr. Fraser): Could you pull your mike a little closer?

MR. PUDLUK: Under the figure for the amount of money there is a small letter "m", and is that millions of dollars?

HON. TOM BUTTERS: Thousands.

THE CHAIRMAN (Mr. Fraser): The Legal Advisor tells me that is thousands, "m" is for thousands and not millions.

MR. PUDLUK: Thank you.

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

Projected Revenues Below Last Years

MR. PEARSON: Just a quick comment. A quick look shows in many of these projects the projected revenues for 1979-80 to be below the actual revenues for 1978-79. Is there any reason for that?

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

MR. PEARSON: The first one for Baker Lake, is \$70,000 and next year \$36,000.

HON. TOM BUTTERS: Not in every case.

MR. PEARSON: In quite a few of them, in a lot of them.

HON. TOM BUTTERS: The totals do not say that other than for the Keewatin region. There was \$297,000 last year and projected \$232,000 this year. I think that is the only one in which there is a diminishment. The other projections...

MR. PEARSON: There are a lot of them, Mr. Chairman. I should bring to the Minister's attention he is predicting less revenue next year in 1979-80 than the 1978-79 period. Baker Lake this year is projecting revenues of \$36,000 where it had \$70,000 last year. In Rankin Inlet last year they had revenues of \$51,000 and this year it is projected at \$45,000. We get into the retail, \$39,000 and \$50,000. It has gone up a bit there. Chesterfield Inlet can hold its own. Whale Cove is down \$3000. Eskimo Point carving is up a bit. Eskimo Point sewing is down \$10,000. Rankin Inlet is down from \$40,000 to \$25,000. In fact the total shown is \$297,000 last year and \$232,000 this year. Is there a reason for that? The grand total on the back -- is there a grand total? No.

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

HON. TOM BUTTERS: Mr. Chairman, I have no answer for that anomaly. No. These are projections.

MR. PEARSON: In all regions, I suppose with the exception of the Baffin, there has been a decrease.

HON. TOM BUTTERS: I guess, Mr. Chairman, that we are trying to be conservative.

THE CHAIRMAN (Mr. Fraser): Further comments on page 12.05? Mr. Whitford.

Hours Of Craft Shop In Rae

MR. WHITFORD: Mr. Chairman, I suppose my concern is that, for example when we lived in Rae the craft shop would be open Monday to Friday from 8:30 a.m. to 5:00 p.m. and it closed again at noon. I guess my concern would simply be, Mr. Chairman, that I think the Department of Economic Development should look seriously at communities that have craft shops along the Mackenzie highway. Perhaps the hours could be changed, working hours, or in fact on the week ends that they work Saturday and Sunday so they would have Mondays and Tuesdays off instead because I have noticed a lot of tourists coming into the community to have a look around and the shop has been closed because of the week end, because of the working wishes of the department.

As well I think in these communities there is a lot more experience needed. In other words, helping managers in the community to better price their products, find a better market, how to display the items they have got for sale. I think that that would definitely change the project such as the one in Rae and turn the moneys around. Especially in the summertime, as I say, there are a lot of tourists and if we keep these buildings closed on the week end we are certainly going to destroy that in no time at all.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Whitford. I understand you to ask for the hours to be changed. Do you want the Minister to change the hours? Why can the people in the community not change the hours?

MR. WHITFORD: It is under the Department of Economic Development which the Minister is responsible for. I am saying that the craft shops not only there but in other parts of the territories along the Mackenzie highway should in fact, have some kind of change of hours. It is up to the department. We are advising them, but as to what they do about it I do not know.

THE CHAIRMAN (Mr. Fraser): Are you setting hours for the craft shops? I thought we were trying to get control into the communities.

HON. TOM BUTTERS: We do not set the hours, the managers do, but we will take the Member's question as a suggestion and advice and we will look into it. We will seek to implement the recommendation if it is practicable.

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

Costs And Revenues Far Apart

MR. STEWART: Mr. Chairman, some of these figures are pretty scarey. I notice that the Baker Lake sewing, projected operating cost is \$160,000 and revenue is \$36,000. We have got an investment of minus \$124,000 to bring in \$36,000. I find the same thing is true again on the last page. I have not had time to look at them but we have another one in Frobisher Bay, that is in the same sort of situation with the capital costs and the projected revenues, which are so far apart that they just do not appear to make any sense at all. Are these long term -- I guess Baker Lake sewing -- has Baker Lake been able to put a parka together yet with both arms the same length?

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

HON. TOM BUTTERS: Mr. Chairman, I share the Member's concern about the projects. I share the Member's concern about the amount of money that we are expending to make a dollar. I have requested and one of the first things I did request was that we come to grips with the actuality of the manner in which these projects are operating. This is projected revenues. They are guesstimates. I would like to get our accounting tight on these projects so that we can determine exactly what shape they are in and then if the social capital invested is too much for the return, I would hope the House would tell us what is the proper formula. How much should we be expending?

THE CHAIRMAN (Mr. Fraser): Hon. Tom Butters, I think the question was if they put a parka together with the arms the same length.

HON. TOM BUTTERS: Well I have got a couple of very fancy Baker Lake parkas that I value and prize very highly. I notice the Honourable Member from the Keewatin is agreeing.

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

Operations Not Businesslike

MR. PEARSON: I am pleased to see that some Members do share my concern. What bothers me with a lot of these projects is that it is not a question of whether they are viable in terms of the potential for the sale of the goods. The problem, to a large degree, is the way in which they are operated. They are not run on a businesslike basis. The people responsible for them are not businessmen. They are civil servants who go home at 4:00 p.m. on Friday. You know, they are not really involved in a business to the extent that I am involved in my business. Apart from coming to the Assembly I am in my store 12 to 14 hours a day, seven days a week as so many other people are who are in business. One has to go in the Yellowknife Radio to see Mr. Glick continuously. It has to be to keep one's head above water. With today's incredible increases in costs, fuel oil at my store, in my own home is phenomenal, and I am sure it is up a bit this week end. We have had one continuous blizzard for the last five days.

Those costs are the ones that destroy any business unless they are kept very, very carefully under control. That is where so many of these projects get into difficulty. The people who are operating them, the so-called supervisors, the servants of this government are people who do not have a vested interest in the thing to any large degree and do not treat it as their own and do not cut costs and do not watch costs because they do not understand what the word "overhead" means. That is where a lot of these projects could be kept viable if they were not kept in some big monstrous building that is heated and lit 24 hours a day, these kinds of things. The stoves are turned up, the doors are open. Stuff is left lying around. Pieces of fabric are thrown out that could be salvaged.

So it goes on, and that is why so many of these projects fail or get into financial difficulty. It is just poor management, not a question of viability or marketability, but poor management. I think that is where this department has got to pull its socks up and get out there into the field and see exactly what is going on in these projects. Why are they not being successful? Because they all started off with the same intention. Not as subsidized welfare jobs or subsidized whatever, but they started off with the very same story we hear every time, "This should make it in the next few years. We have worked out a projected sales picture for this and that", and of course it does not work. It is not because there is not potential there. In most cases it is because of bad management and I would suggest that some of these guys get out there into the field and see and try and cut corners and help the people who are running the projects and point out to them the things that are wrong with them and the things that they must take care of.

Potential For Bakery In Frobisher Bay

There is no reason in the world why there should not be a viable bakery in Frobisher Bay. It is a large community and we import all our bread. There was an attempt made to start a bakery there by a private individual but I am sure if this department looked at the problem and took account of it we could come up with a resolution. That is a community of 2500 people and it could provide jobs for two or three people I am sure, and to many other communities in the Baffin and across the territories. Set it up in such a way that it becomes productive and a viable, well run, well conceived operation. Once it starts then nobody cares about it.

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

HON. TOM BUTTERS: Mr. Chairman, I agree with the Member that a key factor to the success of any business is good management.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Tom Butters. I recognize the clock as coffee time and we will recess for 15 minutes. Agreed?

---Agreed

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. We are on page 12.05. I understand we have one speaker on the list, Mr. Steen. I would remind the committee Members that we have a great deal of work to finish and at the speed we are making on this particular set of estimates we are never going to do it. So, it is up to the committee of course but we have beat this set of estimates around for quite some time pretty badly and I would hope that we could soon get on to other business because if not we will not be finished by the end of the week. Mr. Steen.

Fur Shop At Tuktoyaktuk

MR. STEEN: Mr. Chairman, with all due respect, I think this department is the one that must be examined the most closely. The figures that they have presented to us I think are misleading in a number of areas. I see on the second to last page that they have eight to ten people in the fur shop at Tuktoyaktuk and eight to ten in Aklavik. These figures are true perhaps today but before May last year there were up to 22 people in the Tuktoyaktuk fur shop and they closed the shops down, closed both shops down, and claimed mismanagement in both cases. I wonder, what do they say, why do they say mismanagement when we see in these figures here that Tuktoyaktuk made \$85,000 profit and Aklavik \$70,000? What happened to the figure of \$155,000? Why have they not hired more people since I understand there is an order from Denmark for 400 fur skin parkas, yes, 400, Mr. Shead, and since you have this market why is there not a speed-up in the manufacturing, what is wrong with the department?

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

HON. TOM BUTTERS: I am trying to get the information regarding the 400 parkas the Member has indicated is on order from Sweden and I will report as soon as I have that information. Mr. Chairman, I understand that "order" is a rather strong word there is no order, but there has been identified a potential market of some 400 parkas, but no order exists for those.

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

MR. STEEN: I do not want to hold up the committee at all but it seems that the government is the last people to see the interest and I have heard from the administration in Inuvik that the two fur shops were losing money but here we see it is making money. I believe there is something wrong somewhere.

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

HON. TOM BUTTERS: The figures given to Members are projections only. As I mentioned they are anticipated. I would prefer to defer replying to the Member's question until I can bring before the committee the financial statement requested by Mr. Nickerson. I think that when that is done that should provide answers of a more precise nature.

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

MR. STEEN: Just a comment for Mr. Pearson. He said earlier, and I will say it again, he believes that the people of Fort McPherson can not sew as well as the people of the South. I think I will ask the people of Fort McPherson to make him a pair of canvas swimming shorts.

MR. PEARSON: How about a strait jacket? After listening to that I am going to need one.

Projects, Total 0 And M, Agreed

THE CHAIRMAN (Mr. Stewart): Page 12.05, projects, \$4,217,000. Total 0 and M. Is it agreed?

---Agreed

Projects, Total Capital, Agreed

Total capital, \$807,000. Is it agreed?

---Agreed

Projects, Total Expenditures, Agreed

Total expenditures, \$5,024,000.

MR. STEEN: Where is this? What page?

THE CHAIRMAN (Mr. Stewart): We are on page 12.05. Is it agreed?

---Agreed

Page 12.06, Hon. Tom Butters.

Business Services And Tourism

HON. TOM BUTTERS: Mr. Chairman, I have just a brief introductory statement which I hope will answer many Members' questions before we get to the details. The division of business services and tourism is comprised of four sections, financial services, co-operative development, tourism, and parks. Financial services provide the administrative activities for the Small Business Loan Fund, the Eskimo Loan Fund and the Fisherman's Loan Fund. In addition the section acts as a co-secretary on behalf of the Government of the Northwest Territories for the use of Special ARDA, the agriculture and rural development agreement funds. To December 31, 1978, loans approved for the Small Business Loan Fund were 16 for \$672,000 and contributions of \$8300. The Eskimo Loan Fund was 41 for \$827,000 with contributions of \$211,200 and the Fisherman's Loan Fund two of \$30,000. Special ARDA approved 42 applications for a DREE, the Department of Regional Economic Expansion, commitment of \$1,441,000 and a territorial commitment of \$70,000.

Co-operative development provides the services required to be performed by the supervisor under the ordinance and in addition assists in the development of co-operatives through a close working relationship with the Canadian Arctic Co-operative Federation and the federal government. The major funding for co-operatives comes from the federal government to the Eskimo Loan Fund. In 1978, the federal co-operative development program provided \$750,000 in working capital contributions to co-operatives, and these were treated as long-term interest free loans, and a guaranteed bank loan for the supply of \$4.5 million. March 1979, is the twentieth anniversary of co-operative development in the Northwest Territories and northern Quebec and celebrations marking the occasion are planned by the co-operatives in both jurisdictions. A major training program approved in principle by Special ARDA would provide on-the-job training over a three year period for 36 manager trainees. Exclusive of the Canadian Arctic Co-operative Federation and when final tabulations are complete the settlement co-operatives are expected to reach a volume of \$14 million in 1978 and enjoy a modest net profit of approximately \$200,000 which is a much improved position from 1977.

Tourism strategy has been under review in 1978. Criticism from the tourist industry has resulted in a closer working relationship with the Travel Industry Association and the initiation of a major study in co-operation with the industry that will identify the proposed solutions to the problems inherent in tourism development in the Northwest Territories. The increased emphasis on tourism development and the increased emphasis on the provision of assistance to small business will prompt the department to seek Executive approval to separate the tourism functions from the business development function in 1979.

Parks development in the Northwest Territories has been previously debated by this Assembly and we are aware of the limitations that exist with regard to land use and the philosophy of parks development. Nevertheless, the capital proposals of \$393,000 represent a substantial expansion of parks programs primarily in upgrading present facilities and recreational preparation of road-side facilities for the Dempster highway and Nahanni National Park. Thank you.

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

Canadian Arctic Co-operative Federation In Financial Difficulty

MR. PEARSON: The status of the co-operatives is something that has concerned me for some time, Mr. Chairman. I understand the Canadian Arctic Co-operative Federation is presently in serious financial difficulty and does Hon. Tom Butters know this? I understand they are in up to \$4.5 million and I gather they are having some difficulty figuring out how they are going to pay their debts.

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

HON. TOM BUTTERS: I do not have the information immediately available and if the Member could advise me what it is he wishes I will attempt to provide it.

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

MR. PEARSON: If the federation is in fact in financial difficulty, and if the policy as it states here is to provide advice and to encourage co-operatives to become associated with the federation, and that is the case, I wonder what the department would advise the co-ops in the regions who are members of the federation if in fact the situation is such, particularly in light of the fact that they need financing to finance their sealift for the forthcoming season. Now if there are no avenues of credit available to them, how are they going to manage?

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, I would ask in future you try and get a little closer to your mike. You are getting very difficult to hear. Hon. Tom Butters.

Management And Development Of Co-ops In The N.W.T.

HON. TOM BUTTERS: Mr. Chairman, in the interest of conserving the committee's time I might suggest to the Members that we invite as a technical witness, Mr. Murray Buchanan, who probably has many of the answers on the management and development of co-ops in the Northwest Territories, if Members wish to avail themselves of his knowledge and expertise.

THE CHAIRMAN (Mr. Stewart): Does this committee wish to call Mr. Buchanan for technical advice? Is it agreed? Opposed?

---Agreed

Call Mr. Buchanan, please.

HON. TOM BUTTERS: Mr. Chairman, Members will appreciate that Mr. Buchanan has had next to no warning of his appearance before the committee. Obviously detailed facts and figures will not be at his fingertips, so I would ask that you have patience and consideration for the short notice on which he appears before us.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Buchanan, would you like to make any opening remarks or will we go to questioning immediately?

MR. BUCHANAN: Mr. Chairman, you can go to questions but I can try and answer Mr. Pearson's remarks if he would like.

THE CHAIRMAN (Mr. Stewart): You will have to get closer to your microphone. Just pull it closer to you, if you would please.

MR. BUCHANAN: I have no opening remarks other than to go into questions, but I will try to answer Mr. Pearson's questions if you choose.

THE CHAIRMAN (Mr. Stewart): Fine. If you have the question, proceed with your answer.

MR. BUCHANAN: As I understand Mr. Pearson's question it was in regard to the financial condition of the Canadian Arctic Co-operative Federation, and the fact that there is millions of dollars out on accounts receivable. This is correct. As far as the federation itself being in any financial difficulties, the 1978 yearend which was December, 1978, indicated they had a modest profit of \$150,000.

THE CHAIRMAN (Mr. Stewart): Just slow down for the interpreters.

MR. BUCHANAN: That is not the problem with the federation at the present time. Part of it centres around the fact that they require along with the co-operatives, better use of the funds that have been made available. So while there is an amount of money outstanding that is of concern to the board of directors of the federation, they in turn are working on the receipt of money from the local co-operatives and repayment of their debts to the federation.

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

MR. PEARSON: So I gather then, Mr. Chairman, that Mr. Buchanan is quite confident that the matter will resolve itself and that there in fact is no financial difficulty?

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

Difficulty With Some Co-operatives

MR. BUCHANAN: There is financial difficulty with some of the co-operatives, absolutely. There has been for a number of years and I assume that there will be for a number of years yet. We succeed with some and some are more difficult and require a great deal more effort. Yes, there are some financial difficulties with the repayment of some of the accounts from some co-operatives that have not turned a profit for a couple of years and we have a few of those. We also have the situation where the amounts of money made available from the federal co-operative development fund was not used only as money for resupply. Some of it unfortunately ended up in fixed assets, not that the co-operatives did not need the fixed assets but there were other funds available that they should have used for that. The easiest route being to use the credit that is available, of course. Some of it ended up in paying outstanding debts that existed previously and at the present time what we have is a situation where practically the entire debt of all of the co-operatives now rests with the federation rather than in other suppliers as well.

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

MR. PEARSON: Then does Mr. Buchanan see a problem with the sealift that has applied this year for some of the co-ops? How do they anticipate this? If they do anticipate such a problem, how can they overcome it to ensure that supplies do get into the communities which depend to a large degree on the co-operatives? I am now talking about not the producer co-ops but the consumer co-ops and more generally does Mr. Buchanan see growth in the co-operative movement? Is he optimistic about the future of co-ops?

THE CHAIRMAN (Mr. Stewart): Mr. Buchanan and Mr. Pearson, please come to your microphone. You are backing away from it today for some reason or other.

The Problem Of Supply

MR. BUCHANAN: The problem of supply was discussed at great length with the co-operative managers at their meeting last week and there may be one or two co-operatives that will find it difficult to mount a sealift this coming year. However, certainly the majority of co-ops will all receive a sealift this year if they place their orders. There is a trend in some of the co-operatives to lesser use of the traditional mode of water transportation to the settlements, particularly in the Keewatin and you will find that they will turn their money faster by the use of aircraft in resupply. Are they growing? Yes, they are growing. They will enjoy about \$14 million worth of business in 1978. There is a much improved net position from the loss they suffered the year before and I do believe that they are highly supported by the people within the communities. Having been into a number of them myself where they are in difficulty and having listened to the people defend their association I have some hope that there will be a very few of them in the long run that would have to dissolve.

THE CHAIRMAN (Mr. Stewart): If we could restrict our questions at this time to co-operatives while we have our witness here, anything further on co-operatives? I have Mr. Steen's name down. Mr. Steen, if it is relative to co-operatives go ahead.

Turnover Of Fur Shops To The People

MR. STEEN: They are co-operatives on paper but they are not real co-operatives. Is that okay? Mr. Chairman, I understand that the government wants to get out of the business of the fur shop co-operative in Aklavik and Tuktoyaktuk. They want to amalgamate the two co-ops and hire a manager in Inuvik for \$60,000 a year to maintain or give advice to these two co-ops. It seems to me that last summer the government shut down these two co-operatives because of poor management. Now, Mr. Chairman, if this is the case why does the government turn over to the people something that is not making money? I do not feel that they should, maybe because the people are not ready to run their own show yet. They want to have two directors from the Tuktoyaktuk co-op, two from Aklavik, two from the federation, and one from the development corporation which is COPE, the Committee for Original Peoples Entitlement. I wonder why does the government want to turn over something that is not making money and give it to the people before it starts to make money?

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

MR. BUCHANAN: Mr. Chairman...

HON. TOM BUTTERS: Mr. Chairman, if I may answer the question because it is a bit unfair I think to pose it to Mr. Buchanan since the two organizations in question have not been functioning actively as co-operatives for two and a half years. They have been under the active management of the Government of the Northwest Territories and specifically this department. The Member is absolutely correct when he points out that there were operating difficulties in the summer, difficulties that did not stem so much from bad management in the actual sense but more due to the fact there was insufficient operation and maintenance money to carry over both of the two fur garment operations and the Inuvik sewing centre.

The present state of affairs is very much in flux in that the department is seeking with all possible haste to increase the number of people working in the three projects to approach something of the order that existed before the shutdown. The management, in my estimation, will not be turned over immediately. That is at some stage down the road and my feeling would be that every possible approach must be made to ensure that the people participating in the projects, the two in Aklavik and Tuktoyaktuk and the one at Inuvik are involved in the management evolution and agree wholeheartedly in the eventual management mechanism that is decided upon to provide that function. I do not believe there is any expectation that it is going to be turned over to the communities, to the people in the shops immediately or before it is approaching viability and the projects are seen to be approaching viability. I think that the Member is generally correct in the long-term objective but I do not think it is as close as he feels it might be.

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

Pushing People To Manage The Shops

MR. STEEN: Mr. Chairman, I believe the Minister is not correct in saying that he does not see that these would be turned over from the government to the people in the near future, but I happen to know that there is a letter in the co-op shop in Tuktoyaktuk that says that the government has already the signatures of these co-operatives on that. I knew there was some monkey business going on when Mr. Barry Shead went down to the Delta. You know, it seems that they are imposing, pushing the people to manage their own shops before they are ready, before they are even able to participate as members of the boards of each of the co-ops. I think a few years ago the government took over because it was running as a co-op before that and both cases fell down and the government took over. Last summer it fell down again and now they want to get out of the business. I think it is a shameful thing to push it on to them like that.

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

HON. TOM BUTTERS: Mr. Chairman, it is a shameful thing if that is indeed the case. As the Member has indicated, there has been general agreement by the three boards concerned to move toward a corporate type structure. There is no date that I know of when the structure would be set. I have been involved in setting this up. My own personal feeling would be that the viability of the three operations or two operations is what we should be seeking and first ensuring the marketing of garments, supplied in the quality and quantity sufficient to approach a viable operation.

We must see that these things are done. That would be a good time to begin to talk to the various active participants in each of the projects as to the type of corporate mechanism, if that is what they wish, that they would wish to see implemented. I think we have a lot to do in the area of ensuring the viability first and personally I do not see it being turned over immediately to a corporate structure. After the Member's comments I personally would be travelling to both, I can promise. I will travel to both of these communities and visit with the boards of both of these projects and sit down with them and discuss the whole matter.

THE CHAIRMAN (Mr. Stewart): Page 12.06, \$2,298,000. Mr. Nickerson.

MR. NICKERSON: I have a question on this page but it does not deal with co-operatives.

THE CHAIRMAN (Mr. Stewart): Anything further with co-ops? Shall I thank the witness for appearing?

---Agreed

Thank you, Mr. Buchanan. Mr. Nickerson.

Small Scale Banking Services

MR. NICKERSON: My question relates to small scale banking services in these smaller communities. This is a question that I have brought up on occasion before and I just wondered if anything is being done about it or whether anyone has any bright suggestions. There would appear to be a need in some of the smaller communities for someone to establish small scale banking services for instance for a depository for small savings, for cashing cheques, selling money orders and that type of thing. Some of these things could be done by a post office, if there was one in the community and some could not. I just wondered if the Minister has had any of his staff looking into this problem and if he has any good suggestions.

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

HON. TOM BUTTERS: Mr. Chairman, we have made inquiries in this area seeking to provide such a service in some of the communities. I believe that representatives of that organization will be meeting with the Assistant Commissioner in the near future to determine how such a service might be provided in specific communities. If the Member has other suggestions which he feels might be workable and effective we would be pleased to have them.

Business Services And Tourism, Total O And M, Agreed

THE CHAIRMAN (Mr. Stewart): Page 12.06. Total O and M, \$2,298,000. Is it agreed?

---Agreed

Business Services And Tourism, Total Capital, Agreed

Total capital, \$393,000. Is it agreed?

---Agreed

Business Services And Tourism, Total Expenditures, Agreed

Total expenditures, \$2,691,000. Is it agreed?

---Agreed

Employment And Training

I direct your attention to page 12.07, employment and training. Mr. Minister, if that was a short summary you made last time I do not want a long one this time, please.

SOME HON. MEMBERS: Agreed.

HON. TOM BUTTERS: Mr. Chairman, you have cut me to the quick. I wonder if in view of saving the committee's time again if we might invite another technical witness, Mr. Witty, who is the gentleman in charge of this section. I think that Members feel as I do this is a very important and productive part of the Department of Economic Development and I believe we would be best served if Mr. Witty answered some of your questions.

THE CHAIRMAN (Mr. Stewart): Is it agreed? We can trade you one witness for no summary is that the deal?

HON. TOM BUTTERS: That is the deal.

THE CHAIRMAN (Mr. Stewart): Welcome, Mr. Witty. Have you any opening remarks relative to your section or shall we go by way of question?

MR. WITTY: I would be at the pleasure of the chairman. The only opening remark I would have to make is that the employment and training division is working quite steadily in the area of developing specialized training approaches in an attempt to get more northerners involved, particularly in the skilled trades and management areas. In addition to that we have over the last year worked quite hard at trying to take advantage of positions and work that already exist in the territories particularly in the areas of mining, the service industries and the transportation industries.

If the Members bear with me for just one second I would like to tell you of one particular problem we have, and it may anticipate some of your questions. A major problem that we have is the motivation of people to work, not necessarily to work for short periods, but steady employment and to stick with it. Part of that problem is because people only have to work to meet a particular need, they do not have to work to supply what I would refer to as their survival needs. I really should not have said that because I gave part of the statement that Hon. Tom Butters was going to make.

Employment And Training, Total 0 And M, Agreed

---Agreed

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Witty. Page 12.07. Total 0 and M, \$6,018,000. Mr. Nickerson.

MR. NICKERSON: Earlier on in the budget for this department, the Minister said that he would like Mr. Witty to provide additional information on the subject of putting all the moneys that are presently used in various make-work schemes in one pot under the Department of Economic Development which would then administer this large fund for some worth-while project. I wonder if we could now have more information on this subject.

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

MR. WITTY: Mr. Chairman, you will have to appreciate that part of what I have to say is opinion from the division. Our opinion is that the amalgamating of all of the make-work money under one jurisdiction, and our obvious bias as a territorial jurisdiction, would make it possible to use fairly hefty sums of money to achieve a particular policy or program of this government. However, I am naive in a lot of things, but I think I am realistic enough to know that it is unlikely that the federal government is going to hand over another five million dollars for us to administer. That, however, is the magnitude of money you would be talking about lumped in with what this government spends and if it was controlled by the territorial government it would then be directed towards programs that this government sees as being important rather than the continual make-work scheme that we presently fund.

THE CHAIRMAN (Mr. Stewart): Page 12.07. Total 0 and M, \$6,018,000.
Mr. Nickerson.

Federal/Territorial Manpower Needs Committee

MR. NICKERSON: A question on a different subject, Mr. Chairman, the Adult Occupational Training Act. The Government of the Northwest Territories has entered into an agreement with the Government of Canada whereby funds are made available for adult training under this act. Now, pursuant to this agreement there is a committee known as the joint federal/territorial manpower needs committee of the Northwest Territories and under section 7 of the agreement, a provision is made for the inclusion, as representatives on this committee, of people from labour and employer organizations. I wonder if we could be advised what is the present make-up of the federal/territorial manpower needs committee and whether in fact it does have representatives of employers and employees on it.

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

MR. WITTY: The answer to the last part of the question is no. The present make-up of the committee is the regional director for manpower services with the federal government, the four program directors of the territorial government plus certain staff members who advise each of them. We have worked jointly with the federal representatives in attempting to strengthen this committee, and again this is an opinion, but we have not made it work too well up to this point. I am presently looking at how we can improve the committee and that would include the addition of the groups not presently represented on it, we have not as yet found a mechanism for getting them included.

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

MR. NICKERSON: Will the Minister lend his support, or lend support to his staff in this matter to enable the mechanism to be found whereby these other non-government people could be brought into the picture?

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

HON. TOM BUTTERS: Yes, Mr. Chairman, I would be happy to look at the suggestion of the Honourable Member.

THE CHAIRMAN (Mr. Stewart): I am sorry, Mr. Minister, I did not pick that up.

HON. TOM BUTTERS: Yes, I would be willing to give what support I can in the general areas outlined by the Honourable Member.

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

Employment And Training Department Needed

MR. PEARSON: A question, and it would be nice to get a response from Mr. Witty who has been involved in the business for quite some time, but it has occurred to me that it makes no sense at all that this department, Economic Development, is involved in this employment business in the employment and training program section of the territorial government. It seems to me that either it is an educational matter exclusively or it is a matter for perhaps a separate department where there is so much need, apparent need, I think in the Northwest Territories now for a much different approach by this government to the training and preparation of northerners, native people and otherwise, to take on jobs, careers. It is something that requires the full time attention of a department, but I can never justify in my own mind why Economic Development is involved in this operation.

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

HON. TOM BUTTERS: The question raised by the Member is not a technical question but is a question of policy. I think that as Minister for the department I accept the position that has been put by the Member and possibly in my ignorance with the way in which the department operates I tend to feel much the same way as he does. I am interested in looking at the possibility which he has outlined and whether it may be possible to explore at least. However, at the present time it is under examination only and if there was justification for it I would seek to take the proposal to the Executive Committee and lay it before the Executive Committee for their decision but I generally agree with the position that has been taken by the Member.

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

MR. PEARSON: Is Mr. Witty permitted to comment or does he have any comments to make? What does he think? I know Mr. Witty has been involved for many years and maybe it is unfair, but he may have an opinion. I am sure he is not going to get drawn and quartered if he comments.

THE CHAIRMAN (Mr. Stewart): The question was a matter of policy and the Minister is responsible for policy and not witnesses from the department on policy matters. It is up to the Minister if he wishes to direct him to answer, but it is a policy matter.

HON. TOM BUTTERS: You are correct, Mr. Chairman, it is a policy matter and it is my responsibility to reply and not Mr. Witty's.

MR. PEARSON: So then we can take it it is under review, the whole question of this and that Hon. Tom Butters will report back to the House or make his recommendations to the Executive as he sees fit whenever he has determined the best course of action?

HON. TOM BUTTERS: That is an excellent summary of what will occur, Mr. Chairman.

MR. PEARSON: Fair enough. No further questions.

Employment And Training, Total 0 And M, Agreed

THE CHAIRMAN (Mr. Stewart): Page 12.07. Total 0 and M, \$6,018,000. Agreed?

---Agreed

Employment And Training, Total Expenditures, Agreed

Total expenditures, \$6,018,000. Agreed?

---Agreed

I thank Mr. Witty for his appearance before the committee on your behalf.
Mr. Pearson.

MR. PEARSON: Everybody is so anxious to get out of here, but just on that point, what about the old chestnut of training facilities in other areas of the Northwest Territories other than Fort Smith? There, I have said it. The Eastern Arctic -- how close are we to setting up something realistically there, training facilities, vocational and within the narrow or the broadest sense utilizing the facilities that exist, utilizing the community as a training ground itself, to wit, the municipality and its equipment, teaching people? It is very simple. We do not need a lot of money to do it.

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

HON. TOM BUTTERS: Mr. Chairman, the simple answer to Mr. Pearson's question is that the responsibility of Mr. Witty's section is to identify the requirements for training. He is not required to provide the training. The provision of training and where such training is provided is solely the responsibility of the Department of Education. We have completed Education, so I do not know if that question can be answered.

Total O And M, Agreed

THE CHAIRMAN (Mr. Stewart): I direct your attention to page 12.01. Total O and M, \$16,263,000. Agreed?

---Agreed

Total Capital, Agreed

Total capital, \$1,252,000. Agreed?

---Agreed

Total Revenues, Agreed

Total revenues, \$2,758,000. Agreed?

---Agreed

This concludes the main estimates under Economic Development and Tourism. Hon. Tom Butters.

Fort Franklin Sawmill

HON. TOM BUTTERS: Mr. Chairman, there are one or two outstanding questions to which I will return later to the committee before the estimates are concluded, but I would like to reply to the Member who raised the question regarding the Fort Franklin sawmill. The hamlet of Fort Franklin sent a request to the Department of Economic Development for a community sawmill signed by all hamlet council members. Regional Economic Development staff forwarded the request to headquarters, purchase of equipment for the mill was approved by the director at a total cost of \$17,475. On arrival at Fort Franklin...

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, if you leave the House, we do not have a quorum.

MR. PEARSON: Nature calls.

HON. ARNOLD McCALLUM: It is all right. He raised his hand.

THE CHAIRMAN (Mr. Stewart): I am sorry, Mr. Pearson.

HON. TOM BUTTERS: On arrival at Fort Franklin the mill was turned over to the hamlet which as owner was, and is, responsible for the installation and the operating costs. Mr. Terry Daniels of the Executive staff, acting on behalf of Economic Development, provided the Fort Franklin hamlet foreman with expert advice on the installation of the mill. The other replies I will have later on during the debate on the estimates.

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

MR. STEEN: Mr. Chairman, just one other question he did not answer. I asked also what do they intend to cut with it, what is there to cut? What are they going to use it for?

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

HON. TOM BUTTERS: Mr. Chairman, I regret I do not know. It has been turned over to them and they have the management responsibility and direction of that mill. We are not involved.

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

MR. STEEN: Mr. Chairman, there must have been a reason for the government to turn over or to agree to spend \$17,000 to get a sawmill in there. Surely they must know, his department must know what justified the request with the department.

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

HON. TOM BUTTERS: Mr. Chairman, I thought it would be used for cutting logs and building materials for use within the community itself. I will review the information and see if there is some specific answer which I can provide the committee.

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

MR. STEEN: Mr. Chairman, I have to apologize for asking such pointed questions. I would like it understood that the Minister was not sitting in the Economic Development seat at the time. I believe Hon. Peter Ernerk was the Minister at the time and perhaps maybe he should answer the question.

THE CHAIRMAN (Mr. Stewart): I am sorry. I would have to rule that question to another Member out of order. The Minister has control of this department now. I can only direct your questions to the Minister who is under fire at the moment. Which estimates do we turn to now?

Department Of Public Works

HON. ARNOLD McCALLUM: Mr. Chairman, I would like to go into the Department of Public Works.

THE CHAIRMAN (Mr. Stewart): The Department of Public Works will be found on page 7.01. Will Deputy Commissioner Parker be handling the section?

HON. ARNOLD McCALLUM: Mr. Chairman, that is correct.

THE CHAIRMAN (Mr. Stewart): Deputy Commissioner Parker, are you calling any assistants?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, first I would like to get my notes out and secondly I would be pleased to have Mr. Paul Moody, director of the department to join me.

THE CHAIRMAN (Mr. Stewart): Is it agreed to have Mr. Moody called?

---Agreed

Call Mr. Moody.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it has been our intention to proceed with Finance, but due to the particular time at which we finished the other department it seemed appropriate to go ahead with Public Works because both Mr. Moody and I were here and the Finance people were not here since we had not called them, not knowing how soon the earlier debate was going to be concluded. I say this only to indicate that we may not be quite as well prepared as we might have been.

I would like to make a few general remarks on the department and then perhaps open myself up to questioning. First I will deal with the activities for this present year and the comparison with next year in a broad sense. With regard to buildings and works, which is a major part of our O and M budget, we forecast a relatively small increase, \$800,000 on an \$11 million budget. This is due to the higher costs of material and an increase in the inventory that we must carry because we are handling more buildings, and the salary increase which has been discussed many times before this. We have a small decrease in the amount of money budgeted for equipment and that is because we are transferring more and more equipment to hamlets as new hamlets are being founded. Our utilities budget has increased a significant amount, \$2.5 million. That is an uncontrollable item as far as we are concerned because we have no control over the cost of heating oil nor the cost of electricity.

We have a major increase in the workload of the unit that looks after accommodation services. We have got together a unit under our government to look after all property for the territorial government under this division which we call accommodation services and we have a small staff, but a staff well trained in real estate dealings, in rental of buildings and space and in tendering for buildings and space.

Highways Division

Turning to the highways division which is another division of our department, we completed a number of projects in the 1978-79 fiscal year. Three roadside rest stops on the Yellowknife highway, widening of the Hay River highway and the addition of a gravel base course for a 23 mile section of it, reconstruction of the intersection at Enterprise, widening of a section of the Fort Smith highway soon after it leaves Hay River from mile 11 to mile 31. We applied an asphaltic surface stabilization to a section of that same highway from mile 31 to mile 38. We repaired the landings at the Fort Providence ferry because of problems caused through erosion, a number of engineering surveys have been carried out and we carried out asphaltic surface stabilization on yet another section on the Pine Point highway, a 14 mile section.

We carried out spot improvements on the Detah road, basically the removal of rock outcrop to give a better line of sight. Before the end of this current fiscal year we will be carrying out some drilling, blasting and crushing of rock for future use on the Ingraham Trail and preparation of aggregate for paving on the Hay River highway. In 1979-80, the year under consideration, we will continue with our paving program, paving the 23 miles we have improved of the Hay River highway, paving of the Enterprise intersection, we will commence reconstruction of the Ingraham Trail and we will carry out further work on the Fort Smith highway with some asphaltic surface stabilization.

As far as marine operations are concerned, we operate ferries now at the three crossings, the Mackenzie, the Liard and the Mackenzie at Arctic Red River. We will be operating a service across the Peel River just eight miles south of Fort McPherson as soon as we can get the vessel to that site. We will be moving a new vessel to the crossing at Arctic Red River which has been named the MV Louis Cardinal after a long time person who lived in that area.

The Architectural Division

The other two divisions of the department consist of the architectural division and the engineering division. The architectural division for 1978-79 has been engaged in the planning of three major schools, Fort Norman, Coral Harbour and Rankin Inlet and of those three, two of them will be major construction programs in the coming year, Fort Norman and Coral Harbour. We have had a small staff housing program and we will have a very small housing program for next year.

As was noted earlier, in Hay River, in the next year, we will be replacing the South Mackenzie Correctional Centre. During 1978 the architectural division was responsible for 79 projects with a capital construction budget of some \$13 million. Some additional projects which I have not named for the 1979-80 year include the design of a four classroom addition at Pangnirtung, the commencement of construction of a community service building at Broughton Island which will combine a gymnasium, community hall and office space. At Pelly Bay we will be commencing construction of the first phase of the community services building there which will contain a gymnasium, a community hall and a chapel. Those are the major ones.

Of a smaller nature we have parking garages scheduled for Rae, Tuktoyaktuk and Holman Island. These will be built from lumber sawn in the Northwest Territories. At Grise Fiord we will be putting up a metal parking garage. This department will be looking after settlement office construction in Fort Good Hope, Spence Bay where there will be a Natural and Cultural Affairs office and warehouse, that is, wildlife, and the same for Clyde River.

The Engineering Division

The engineering division has grown very much in the amount of work that it has been looking after because of the tremendous increase in the amount of water and sewer work that has been carried out in the past two or three years, as well as very major increases to our bulk fuel oil storage facilities. Rather than list off the number of places where we have major water and sewer programs I propose to wait and perhaps answer questions because there are many of them. I have details on them available.

We have made a major effort in this past year on the preparation of foundations. For years and years we have proceeded with the system of using gravel pads which has proven to be both expensive and very wasteful of the dwindling resource of gravel. We have contracted the use of a drill in this past year which sets pipe piling. Our belief is that this has been very successful and will save many dollars as well as protecting the gravel resource which is necessary for roads and for concrete preparation and in projects of that nature. Most of the foundations for Northwest Territories Housing Corporation houses will be put in in the same fashion. Mr. Chairman, that is all I would propose to say by way of general remarks and I would be pleased to answer any questions or to proceed to clause by clause as you wish.

THE CHAIRMAN (Mr. Stewart): Thank you, Deputy Commissioner Parker. Page 7.02. Department of Public Works, questions of a general nature.

Directorate, Total O And M, Agreed

Page 7.02. Total O and M, \$473,000. Is it agreed?

---Agreed

Directorate, Total Capital, Agreed

Total capital, \$641,000. Is it agreed?

---Agreed

Directorate, Total Expenditure, Agreed

Total expenditure, \$1,114,000. Is it agreed?

---Agreed

Page 7.03. Mr. Nickerson.

MR. NICKERSON: About three years ago, Mr. Chairman, we were advised that the engineering services arrangement for the financing of highway maintenance was to be discontinued and that this activity was to be financed in the same way that all other activities that come under the jurisdiction of the Northwest Territories work. I see three years later that we still have this engineering services contract with the federal government for highway maintenance. When is this responsibility to be fully and properly transferred to the Government of the Northwest Territories?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this is the last year in which we will be carrying out highway maintenance under the interim arrangement which we have had. This interim arrangement has been a two year arrangement and in 1979-80 we will see the end of that, and in 1980-81 we will have full maintenance responsibilities and the money which we will spend on maintenance will simply form a part of our own revenue resources or part of the deficit grant. I regret that it has taken longer than we anticipated. The subject of financing for highways is one that provides me with great frustration. It has not yet provided much frustration for Mr. Moody but I suspect that being pressed to achieve, he may be able to help us get switched over much more quickly.

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

The Ingraham Trail

MR. NICKERSON: Now to the questions of highways, Mr. Chairman. We were told in the Deputy Commissioner's opening remarks that the Ingraham Trail was to be reconstructed. I wonder what the extent of that reconstruction is. It was my idea that certain improvements were to be made, you were going to knock off the tops of some of the hills but I did not think there was a major reconstruction program in the offing. Can we be advised on what exactly it is the government intends to do this year on the Ingraham Trail highway?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the section we are looking at on the Ingraham Trail is mile two to mile 18 and it is a fairly major reconstruction, partly because the route is an expensive one and its original design was very much that of a pioneer road. It is perhaps one of the most heavily travelled roads in the Northwest Territories and hence the need to go back at it and do a proper job. The alignment will not be changed completely by any means but a number of the corners will be eased, a few of the dog-legs taken out of it and the base built up and regravelled. The base at the present time has just about worn out and it is only through a great deal of blading that it has been kept open for these last several years. This is a project that has been delayed many, many times but one that we can not delay any longer. Originally we had estimated for that first section, that is leading to the Prelude Lake turn-off that we could do the work for around \$600,000 to \$800,000. However, it is going to cost us a little bit more than that and of course we will have to stop short of paving.

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

MR. NICKERSON: I wonder if we could be given the estimated cost of this upgrading program for the Ingraham Trail.

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

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. Having started the day early I do not have it with me but I will have it for tomorrow.

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

The Brushing Of Highways.

MR. NICKERSON: Two questions on the brushing of highways. I understand that about a year ago, and I would imagine this was done as an experimental program, you had a machine that looked like a discing machine that is used on farms but it was towed by a Cat and it was used for brushing the willows at the side of the highway. Did that prove to be at all successful? I remember driving the same length of road in the summer months and the willows could be seen sprouting up again. I just wondered what the experience with that particular machine was.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I will have to report on that also. I know that the experiment was conducted and to the best of my recollection it was considered to be successful but several of us felt that it was a kind of success that we could not afford. There is quite a little bit of work to be done, hand work in clearing the rights-of-way and if the brush is of any size at all, it can be done by hand just marginally more expensively than by machine and we felt that this might be a good investment in hand labour. So, we have not encouraged the highways division to use mechanical means of clearing the right-of-way. The Member may have noted that on the Ingraham Trail they instituted a hand clearing project there. The ditches were badly overgrown and I think the work that was done there was very much to the benefit of the people at Detah.

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

MR. NICKERSON: I was going to comment also on the work that was done early in the winter before Christmas on that stretch of road. I do not know what the cost of it was. I would imagine anyway that the cost came out a lot more expensive than was originally figured, but the work that was done was done very well. There is no doubt about it.

Another question, Mr. Chairman. The Fort Providence ferry has now been in the hands of private contractors for a year. What has been the experience with this arrangement? Is the department satisfied with the operating results and does it feel that experiment was justified?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we are satisfied with the results and hope to continue with that system.

System Of Weight Limits On Highway Trucks.

MR. NICKERSON: I am pleased to see that it worked out very well, Mr. Chairman. The province of Alberta, and I do not know whether I should ask this question with respect to highways or when we deal with the Public Services budget, but it covers both. I could ask the technical part of it now I guess. It would appear that in the province of Alberta they are moving into a different system of weight limits on highway trucks. They have introduced something called an axle weight control program where you do not specify the maximum gross vehicle weight but you specify the maximum loading on each axle. They say that they have been able to increase the gross vehicle weight from the previous 45,000 pounds only on certain roads up to 110,000 pounds without having any effect on the road because the load is distributed over several axles and the maximum load on any one axle is not sufficient to do damage to the road. I wonder if the same program might make sense in the Northwest Territories also.

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

DEPUTY COMMISSIONER PARKER: We have used for some time a method of axle loading for determining the loading that we will permit on highways, but with the proviso that the all-up weight can not exceed a certain figure, that is the grand total weight. The reason for that is that our bridges are designed to a certain maximum design load and that provides us with a limiting factor. We have considered spending money to go back to the bridges and rebuild them but thus far we have not been able to put together the kind of money necessary to do that. That is the limiting factor. We do set our weights on a per axle basis.

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

The Road Through Wood Buffalo Park

HON. ARNOLD McCALLUM: Mr. Chairman, it is not a question of the department. It is simply a comment on a favourite subject and that, of course, is the maintenance in Wood Buffalo National Park. Members will note the amount that the Department of Public Works has for highways and the government of the territories does maintenance work on the road through Wood Buffalo National Park. The committee will be aware that that particular amount that has been allocated there has been dropped by \$26,000. If you go on the turn-off even to Salt River, it leaves about 25 miles to go from Salt River just through the park. I am pleased that there is an increase in terms of the Mackenzie highway maintenance, but within that particular park it may give Members an idea as to just the kind of importance park officials, the department here give to this particular road system through Wood Buffalo National Park by a decrease in it. Even going, as I say, from Salt River to the turn at Pine Lake is about 25 miles and that works out to about \$2500 a mile in the total budget. There is nothing about the rest or very little, and our maintenance crew go through the park much further beyond that. I think again a comment that this is an indication of the importance that the federal department, the Parks Canada people pay to maintaining roads throughout the park. I do not expect the Deputy Commissioner to comment. I did not bring it up for that, but I think Members of the committee should be aware again that this is just another indication of our difficulties with parks.

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

Availability Of Funds For Road Construction

HON. TOM BUTTERS: Just a brief question on the expectation for the completion of the Dempster. Does the territorial government have in place all the things needed for the maintenance requirements including the ferry system? That is

the specific question. The general question is; is there any indication how long it will be before the funds available for road construction in the territories are once again at a level that this committee was used to examining in the past three years? Why I ask that is that it would appear that we could be pushing roads into the mountains in the mineralized areas of the Mackenzie mountains in the central Mackenzie area.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, with regard to the Dempster highway we expect that that highway will be turned over to us for maintenance officially in the fall of 1979, that is, this fall. However, it is our intention to find the necessary funds to maintain it so that it can be used and certainly to maintain the ferry crossing from the commencement of navigation this year. The federal government has a fair amount of gravelling yet to carry out on the road. They may turn it over to us before they complete all of the gravelling but indeed the road will be maintained in such shape that it can be used this coming summer.

With regard to Hon. Tom Butters' second question the construction of new highways remains a federal program even though we have made as strong a case as can be made from time to time to have it transferred to us. Therefore it is the federal government that decides the priorities of its spending, that is, as to whether it puts money into highways or into some other projects in the country. At the present time it seems that there is a shortage of dollars and the extent of new highway construction will undoubtedly remain reduced for some period of years. Maybe it is not very many years, or maybe a few years, I simply can not predict how long. The only new road in the territories that is funded in the capital budget of the federal government is construction of the Liard highway, and completion of the Dempster highway.

Highways, Total O And M

THE CHAIRMAN (Mr. Stewart): Thank you. Page 7.03, total O and M, \$6,652,000. Agreed?

DEPUTY COMMISSIONER PARKER: Sorry, Mr. Chairman. I have to correct the figures here. The federal contribution towards highway maintenance was not available to us until after these estimates were printed and fortunately what I have to write in here is an increase. We were able to get \$300,000 more money than had been anticipated in these estimates that are printed. Before you say "Why not spend that \$300,000 somewhere else?" -- even at the figures shown here plus the \$300,000 we are going to be very, very tight on our road maintenance. In fact we suspect we will not be able to maintain the standard of road maintenance with this amount of money, although we will come close. The figures I would like you to change are the total O and M figure of \$6,652,000 which should now read \$6,952,000. The figure for total expenditures should read \$7,622,000 instead of \$7,322,000. The figure for total operating income is also increased by \$300,000 to \$6,512,000.

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

Beer Bottles On The Highway

MR. WHITFORD: I have only got three questions to ask the Deputy Commissioner. One is the highway between here and Rae, Rae to Providence as well as the one going to Prelude Lake. There is a lot of beer bottles or debris all along the highways. Of course that is caused by people and I am just wondering in fact what is the government doing in trying to stop this kind of thing from going on? Are they going to impose a fine like in the province of Alberta that if you litter the highways there is \$100 fine or whatever. I think although it helps the Boy Scouts in the summertime, it sure as heck looks awful.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think that we have legislation on the books which permits us to fine people for littering. How often a person who is littering can be caught I do not know. I suspect not very often. However, we will look into the possibility of putting up signs.

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

MR. WHITFORD: Mr. Chairman, I spoke to one of the members of the highway division, and I could probably tell the Deputy Commissioner at a later time the name of the family, but the gentleman has been working in the highways department for a number of years, I think in the neighbourhood of four years, and at the moment they are living in a two bedroom overcrowded apartment and can not get a house of their own here in the city of Yellowknife. This fellow is from Fort Providence and has worked for the department for a number of years. I guess my concern is we are trying to encourage these kind of people to come into the community of Yellowknife and to work within the system and I am wondering if the Deputy Commissioner can take some kind of action and see if this person can get a house of their own.

THE CHAIRMAN (Mr. Stewart): That is almost personal business, but, Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: If Mr. Whitford at some occasion will give me the details or the name of this person, then I will take the case up and see what is happening.

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

The Rae Road

MR. WHITFORD: Fair ball, Mr. Chairman. The last question I have got is on the Rae road. Did you say the information was coming on it later, telling us what will happen to that road?

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

DEPUTY COMMISSIONER PARKER: No, that question was not asked. My information is that we spent a fair amount of time on the Rae road this year and I do not know if we are planning anything for next year or not. I do not think so.

MR. WHITFORD: Just one last question. It was our understanding that they were going to be straightening out this road, drilling and blasting and making the road much straighter this year because of the present conditions of the school bus and the road itself, because a lot of it is clay surface and I was wondering if the Deputy Commissioner knew anything on it. I could wait for an answer on that.

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

DEPUTY COMMISSIONER PARKER: Is that the road from the highway into Rae?

MR. WHITFORD: Yes.

DEPUTY COMMISSIONER PARKER: I will check on that and report on it tomorrow.

THE CHAIRMAN (Mr. Stewart): In view of the hour is it your wish that I report progress?

DEPUTY COMMISSIONER PARKER: If I could just finish this.

SOME HON. MEMBERS: Agreed.

MR. FRASER: No way.

HON. ARNOLD McCALLUM: He wants to give a correction.

THE CHAIRMAN (Mr. Stewart): I have other speakers so we will not go through it like that. Mr. Fraser.

All Moneys At Headquarters

MR. FRASER: Mr. Chairman, I notice in this blue folder, the breakdown on the main estimates for Public Works, highways, all the money is kept at headquarters. I wonder if I could be told how they explain this.

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

DEPUTY COMMISSIONER PARKER: It is simply held here for bookkeeping purposes. The accounting is done for highways, it is at one location, at the headquarters location. In other words, we do not put the money out to the regions because there are no operating divisions of the highways division in the regions themselves.

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

MR. FRASER: Mr. Chairman, I do not think I understand the answer.

THE CHAIRMAN (Mr. Stewart): You are mumbling, could you speak up so we can hear you?

MR. FRASER: I said I do not understand the answer, why all the money is in headquarters and there is nothing in Inuvik, Fort Smith or Keewatin. I wondered if you could give us a breakdown on anything planned for highways, highway improvement in Norman Wells. They only have five miles of highway and it is just a narrow trail and we have been trying for years now to get it widened out and properly drained and there is a lot of traffic on that stretch of road because of the float plane base at DOT lake. I just wondered if there was any money allotted for the widening of that stretch of road.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the fact that the money is shown as all being under headquarters does not indicate that it is not being spent in the regions, it is just that all of the few highways that we have are administered either from Inuvik, Yellowknife, or Hay River, and to an increasing extent it is being centred in Hay River. The money in future may be designated as Hay River rather than headquarters. With regard to Norman Wells I am afraid that that is not even a highway, that is a local road and the money for it would fall under Local Government.

THE CHAIRMAN (Mr. Stewart): I recognize the clock as being 6:00 o'clock and I will now report progress.

---Agreed

MR. SPEAKER: Mr. Stewart.

Report Of The Committee Of The Whole Of Bill 7-67, Appropriation Ordinance, 1979-80

MR. STEWART: Mr. Speaker, your committee has been studying Bill 7-67 and during our deliberation the following motion was passed: I move that the Government of the Northwest Territories be requested to examine the feasibility of a fishing industry in the Eastern Arctic. This motion was passed during the study on the Economic Development and Tourism section. At this time I would like to report progress on Bill 7-67.

MR. SPEAKER: Did you have trouble with the word "progress", Mr. Stewart?

---Laughter

MR. STEWART: I have been in the House all afternoon, sir, and I have agreement.

MR. SPEAKER: With respect to announcements, gentlemen, the standing committee on legislation meets at 10:00 o'clock tomorrow morning in Katimavik A. I do not know if the chairman is in town, I assume he must be. The chairman is coming into town this evening apparently but in any case that committee is composed of the following Members: Mr. Lyall as chairman, Hon. Peter Ernerk, Mr. Fraser, Hon. Arnold McCallum, Mr. Nickerson and Mr. Lafferty. There is a meeting of rules and procedures in room 303 at 12:00 noon and who is on that committee? Hon. Arnold McCallum, Hon. Tom Butters and Hon. David Searle, the Honourable Member for Yellowknife South, wherever he is. Mr. Clerk, orders of the day.

ITEM NO. 11: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Remnant): Orders of the day, February 13, 1979, 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. Notices of Motion to Introduce Bills
11. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 1-67, 9-67, 5-67, 7-67, 8-67, Proposed Amendments to the Federal Indian Act, Tabled Document 10-67, Information Item 5-67, Tabled Document 13-67, Information Item 4-67, Tabled Document 11-67
12. Orders of the Day

MR. SPEAKER: This House stands adjourned until 1:00 o'clock p.m., February 13, 1979, at the Explorer Hotel.

---ADJOURNMENT

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