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Economic Development News

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Dear Reader:

It is my pleasure to introduce this first issue of "Economic Development News," Northwest Territories, the Department's quarterly newsletter.

Economic development connotes different things to different people; to some it means an increase in employment opportunities, to others it means such things as higher wages, more disposable income, increased availability of goods and services or significant growth in the gross domestic product. Through this newsletter, my Department will be informing residents of the N.W.T. and other Canadians of this government's commitment to economic development as is manifested in the Department's mandate and the initiatives it has taken to foster economic development activities. Such initiatives have been and will continue to be taken in the context of conditions existing in the N.W.T.; the constraints of its physical land mass, severe climate and fragile ecology, the diversity in ethnic origins, cultural ties, lifestyles and political and economic aspirations of its small, scattered, often unskilled population, the deficiencies in infrastructure and communication networks, and the potential for massive non-renewable resources developments.

This issue contains relevant information on the Department's functional frame work. Subsequent issues will deal specifically with the program implementation aspects at the community, regional and headquarters levels as well as with developments by the private sector.

The informal tone and informative nature of this publication will allow for easy and interesting reading.

Yours truly,

Tom Butters

Tom Butters,
Minister.

It has become almost obligatory for governments of every ideological stripe, to speak in favour of economic development. For years governments at all levels across Canada have designed and delivered programs specifically to support economic development. Yet, in spite of the volume of rhetoric and number of programs that governments have devoted to that end, there are many persons who suggest that governments, on the whole, have been more of a burden than a help to this critical activity.

It is essential to the overall economic development strategy of the N.W.T. to have an economic climate in which entrepreneurs are encouraged to make investment decisions for the benefit of the economy and the maximum number of residents. The creation of this environment is the mandate of the Department of Economic Development and Tourism.

There are several basic economic factors affecting development over which the N.W.T. has, at best, only partial control. In the main, these conditions arise from fundamental changes both in international relationships and within the Canadian society. Supply and demand changes, energy shortages, and technological advances have altered methods of operation and traditional supplier/customer trading relationships.

COMMERCE DIVISION

Small Business Development Section

The Small Business Development Section serves as a catalyst to business development by assuming the role of promoter/advocate of such activities and providing technical and limited financial assistance (grants and contributions) to new and on-going businesses in the retail, service, renewable resources, and arts & crafts sectors. Technical assistance includes business opportunities identification, conduct of pre-investment feasibility studies, and the provision of business and financial management consultancy. In addition, assistance in marketing has been recently made available to those enterprises that lack or are in need of this service.

In order to keep abreast of business opportunities, the Section maintains liaison with the resource developers, resource managers, business organizations, community groups, native organizations, and counterparts in the provincial and federal governments.

A major concern of the Small Business Development Section is to ensure that Northern businessmen are given the opportunity to supply goods and services to large scale projects taking place in the N.W.T. In many instances it has been demonstrated that northern businessmen can be competitive; however, they must first be given the opportunity to tender. They often require adequate lead time to permit them to obtain the necessary equipment or materials required to bid on contracts, and to obtain bankable documents that may be required by lending institutions in support of needed loan financing. The Small Business Development Section advocates the tender calls should be of a size that permits northern businessmen the opportunity to compete, also that provisions should be made for northern businesses to sub-contract portions of large contracts awarded to Southern-based companies.

When looking for goods or services, developers are encouraged by the Small Business Development Section to be guided by the Northern Purchasing Policy which is to give priority to northern companies if they are competitive. Also, should an opportunity be identified and there are no suitable businessmen in the

immediate vicinity, the Small Business Development Section attempts to identify and contact entrepreneurs from other areas of the N.W.T. Once business opportunities have been identified, the Section advertises them across the Territories and assists qualified businessmen to take advantage of this opportunity.

Small Business in the N.W.T.: A Key to Current Prosperity and Future Growth

For the N.W.T. a small business is defined as any service business with fewer than 50 employees, and any manufacturing enterprise with fewer than 100 employees.

In the N.W.T. 98% of all businesses are small. The 1700 small businesses account for 25% of total sales and 40% of the total private sector employment. The importance of small businesses to the economy goes far beyond the obvious impact of these statistics. The small business sector has shown an outstanding capacity to identify and carry out specialized functions that cannot be economically undertaken by larger companies. The ability of small enterprises to respond to purely local needs or opportunities could substantially contribute to a more balanced regional development in the N.W.T.

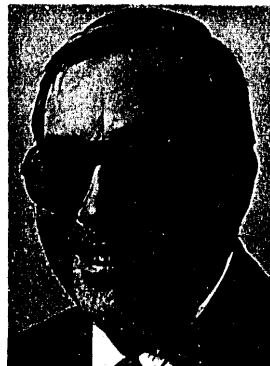
Small business is also one of the most potent factors in the "Northernization" of the economy. As smaller, Northern-owned firms grow and begin to compete within the N.W.T. or in the rest of Canada, they will displace imports, increase N.W.T. income tax, and lead to a concentration of key industrial activities including research and development and marketing. The aggregate effects of these will be a strengthening of the economy as a whole.

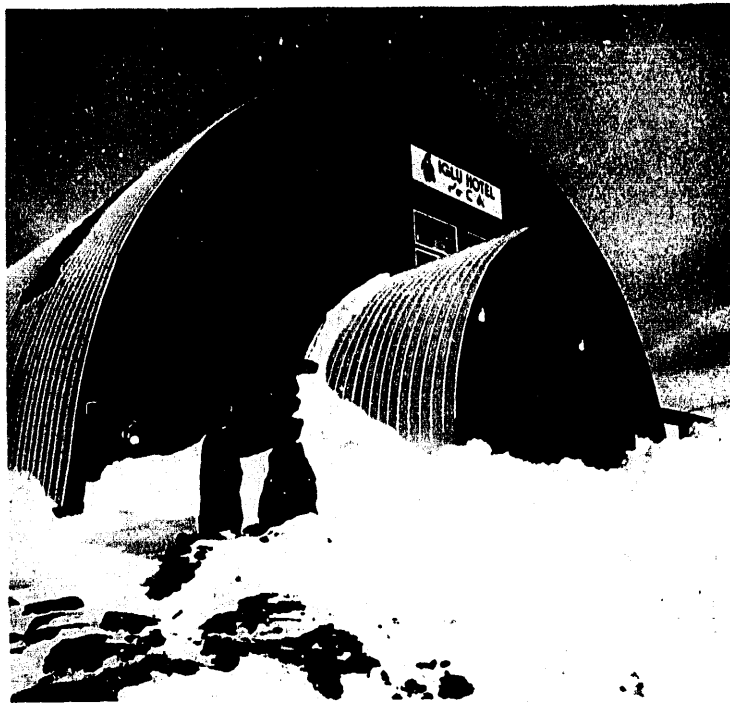
The fact that small businesses are relatively labour intensive is of primary importance in terms of the N.W.T.'s immediate social and economic objectives. The creation of new small businesses and the expansion of existing ones will continue to be critical to the Territories' ability to generate the employment opportunities required by its increasing labour force.

Lamoureux Named Head Small Business Section

Jack Lamoureux was recently named head of the Small Business Development Section of the Dept. of Economic Development and Tourism. As head he will direct programs aimed at the encouragement, promotion and expansion of the small business sector of the NWT economy.

Jack spent four years with the Economic Development Department in Fort Smith and Hay River. Prior to that he was with a major bank for 20 years.





Financial Services

The Financial Services Section administers the Eskimo Loan Fund, the Small Business Loans and Guarantees Fund, and the Special A.R.D.A. Program, through which it provides loans and/or grant financing to businesses.

The mandate of the Financial Services Section of the Division of Commerce is no different from that of any other local lending institution, "to foster the development of a viable economy in the Northwest Territories." Because we have limited resources at our disposal, we aim to make "good service available to anyone interested in business in the north" our trade mark. Our philosophy is that we "will assist anyone interested in assisting himself in business." This philosophy applies to potential, existing and former clients for as long as they remain in business in the north.

Government Enterprises

The Government of the N.W.T., in its efforts to reduce the level of transfer payments in the communities during the late 60s, introduced the practice of establishing and managing a number of projects (enterprises). Today, there are 24 of these government-owned enterprises operating in the N.W.T. including a laundry, a jewellery store, and several food and dry goods retail stores.

Efforts were increased to have the management of the government's commercial enterprises placed into the hands of the private sector. Following the direction given by the Executive Committee, this objective is being achieved by seeking out groups and individual enterprises and sales agencies. This procedure will ensure that managers of the various enterprises will become more aware of the importance of sound marketing practices.



Co-operatives

The Co-operative Development Program from its inception in 1969, was a charge of the then Department of Industry and Commerce. By 1979 there were 40 active co-operatives in operation as well as the Canadian Arctic Co-operative Federation Limited (C.A.C.F.L.) which became incorporated in 1972. With incorporation, the G.N.W.T.'s role in co-op development was reduced to that

of providing the enabling self-help funding, advice and legislative supervision.

The following comments on the Co-operatives in the Mackenzie Valley are intended solely to acquaint the reader with some basic facts regarding the operation of these community-owned enterprises.

The Dene co-operatives of the Mackenzie Valley had retail sales of \$1,842,719 in 1980. Contracts earned another \$103,592 to a total

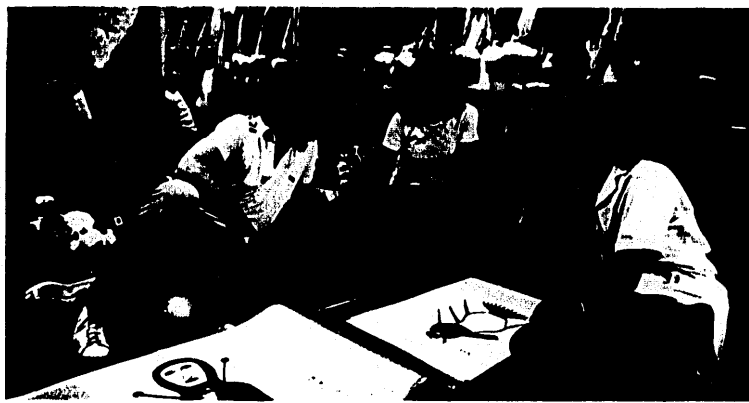
of \$1,946,311 in revenues. The co-operatives have a membership of 698 persons from a population of 1,985 in the seven communities and employ 22 people full time, plus some others part time.

The Dene co-operatives, *Lupselk's Co-op* at Snowdrift, *Meni Kbon Co-op* at Lac la Martre, *Jean Marie River Co-op*, *Pelanea Co-op* at Fort Wrigley, *Great Bear Co-op* at Fort Franklin, *Tellit Co-op* at Fort McPherson, and *Kapami Co-op* at Colville Lake are multi-purpose associations. The co-ops at Snowdrift, Lac La Martre, Jean Marie, Wrigley, and Colville are the only stores in town.

Retail operations include the purchasing of fur, fish, and other northern products such as Dene handicrafts as well as retailing food, dry goods, and hardware. The co-operatives provide a mix of contract services including water and petroleum delivery, sewage disposal, taxi and freight hauling, airline agent and runway maintenance and site clearance. The co-ops at Fort Franklin and Fort Wrigley operate tourist facilities offering cabins and boats for rent. The co-operatives are prepared to make additions to fixed assets in order to be successful in contracting. They are an excellent point of contact for developing local labour pools.

The Dene Co-operatives are prepared to work alone or in joint venture to realize their potential as partners in the economic development of the communities of the Mackenzie Valley. Co-operative businesses can and will react to local opportunity as directed by their membership's desire for involvement in the future economy of the North.

Future articles will provide basic facts on the Inuit Co-operatives, address the history of Co-operative development in the N.W.T., define government's role in development and regulation and discuss the services provided by the cultural organizations in the N.W.T.



TOURISM DIVISION

The Dempster Highway, officially opened in 1979, rates as one of the most spectacular wilderness highways to be found anywhere in North America. It is the only public highway on the continent to be pushed north of the Arctic Circle and its 700 kilometre length traverses the scenic region of northern Yukon and crosses the Mackenzie River on its way to Inuvik on the vast delta of Canada's greatest river. The landscape is ever changing from low rolling hills and wide valleys to high plateaus where the Arctic tundra envelops the entire countryside.

The highway was named after Corporal Dempster of the Royal North West Mounted Police who led a party north from Dawson City by

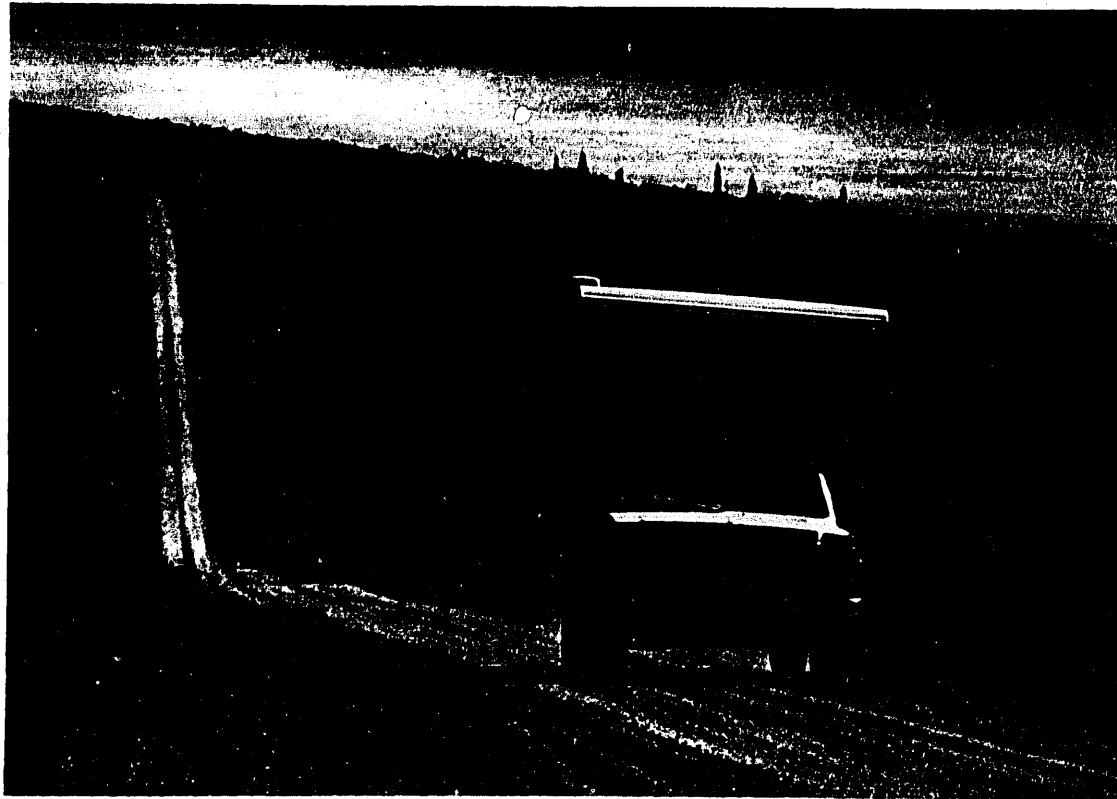
dog sled in the winter of 1911 in search of the ill-fated Fitzgerald Patrol. This highway today roughly follows the same overland route used by the R.N.W.M.P. dog team patrols between Dawson City and Fort McPherson in the N.W.T.

When planning a trip along the Dempster Highway, consideration should be given to the fact that it is gravel surfaced and facilities are few and far between. Some sections of the Dempster become slippery when wet, and road crews may be encountered. There are two sections of road which become almost impassable when raining. Current road conditions may be obtained by calling (403) 667-5340 in the Yukon and (403) 979-3828 in the Northwest Territories.

There are several camping and picnic sites on the Northwest Territories' section of the Dempster. They are as follows:

Nutuluit	(km 543, mile 339),
Rengling River	(km 642, mile 401),
Caribou Creek	(km 684, mile 428),
Cabin Creek	(km 707, mile 442),
Campbell Creek	(km 710, mile 444),
Chuk	(km 732, mile 458),
Happy Valley	(km 736, mile 460).

Two major parks have opened this year to cater to the expected increase in traffic. As well, an information booth has been set up at Fort McPherson to provide assistance to travellers on the new highway.



MANPOWER DEVELOPMENT DIVISION

Being in business for yourself is hard enough without adding a staffing problem to your worries. It's to the businessman's advantage to make sure his work force is at full strength and the people he hires are qualified to do the job. Without these two things the business suffers and people who want work can't find jobs.

It is difficult trying to find the right person to fill an opening, especially when you take into account the vastness of the Northwest Territories. That's where T.E.R.I.S. fits in. T.E.R.I.S. stands for Territorial Employment Record and Information System, a Manpower program of the Government of the Northwest Territories.

T.E.R.I.S. was set up a few years ago as a clearing house for northern employers wanting to find northern employees to work in the Northwest Territories. When people with the required skills are located, we either pass their names along to you and let you, the employer, handle the selection process or we give your name to the prospective worker and let him make the contact.

T.E.R.I.S. has been gathering information over the months in every community in the N.W.T. and compiling data on every worker over the age of 15. All potential workers are asked to fill out a data sheet and then every month 10% of that group is contacted again and their information is updated. The information collected by way of the data sheet includes not only name, age, and education but also job experience, skills, the type of work the person is looking for, whether they want training and whether the potential worker is willing to relocate if a job is offered. As the information is collected it is fed into a computer. The computer gives us easy access to all the material collected on workers so we can fill the business's request faster. And only T.E.R.I.S. provides a statistical data service to employer and research consultants.



PLANNING AND RESOURCE DEVELOPMENT DIVISION

With strong economic growth in Western Canada, an unprecedented demand for skilled workers has resulted. Each western province, the Yukon and the Northwest Territories has many critical major projects planned; however, there is no assurance that adequate supplies of manpower will be available to allow the simultaneous construction of these projects. As manpower availability has an impact on all aspects of economic growth there is a need for assuring the region's future manpower situation.

At present, there exist only informal linkages and limited information exchanges among the six jurisdictions. Sanctioned at the Western Premiers conference in Thompson this spring, a more formalized mechanism to develop a western regional perspective on the manpower situation is being reviewed.

In the summer of 1980, the Economic Planning Secretariat of the Department of Economic Development and Tourism undertook a pilot Manpower needs forecast for the Inuvik region. The success of this study has prompted the government to propose an extension of this labour market survey to all of the N.W.T. Comprehensive manpower demand forecasting will facilitate a more co-ordinated approach to the planning and development of manpower resources, enabling the government to react quickly to meet the educational and training requirements of industry and the communities impacted by industry.

The success of a labour market survey will depend on private sector input, both business and labour, in each of these three areas: gathering information, setting objectives, and designing strategies. At the information level, government should generate manpower statistics, but this will involve participation from business and labour to provide information at the micro level. In the area of strategies to meet manpower objectives, government provides

and funds basic education and training, while firms have the responsibility for providing training in specific skills on-the-job.

Many benefits can accrue to private industry through manpower demand forecasting; it enables a much more effective use of the business's human resources and provides a mechanism for successfully adapting to changing demands for skilled personnel as a result of market conditions. In addition to leading to increased productivity and planning, manpower planning can reduce worker turnover, develop staff internally, reduce recruitment costs, define strengths and weaknesses of the firm's labour force and allow action to be taken before situations develop into crisis proportions.

Supplementing all these essential activities are regional offices in each of Cambridge Bay, Fort Smith, Frobisher Bay, Inuvik, and Rankin Inlet. It is the responsibility of the various officers to relate to community groups and businessmen on all facets of the department's mandate. Their role is to contact, communicate with, and understand the essence of economic life in the distant outreaches of the N.W.T. and to articulate the perceived demands and desires to the centralized policy making portion of the department. In many cases, these business officers are involved in both the day-to-day immediate needs of clients as well as the long term planning that is so essential to business success. In essence they are the pulse of the Department.



HIRE NORTH

Hire North is a specialized program, administered by the Department of Economic Development and Tourism, which provides training and employment opportunities for northern native people in highway construction and maintenance related trades. It began in 1972 as a work project to clear the right-of-way for the Mackenzie Highway from Fort Simpson to Inuvik.

The training/construction section was set up in April 1973 to provide training on-the-job by constructing a section of the Mackenzie Highway to standards established for the highway. The purposes of Hire North, as approved by its committee, in April 1978 are to:

- provide opportunities for training in the operation of heavy equipment, as well as other trades and occupations associated with highway construction and maintenance.
- provide employment opportunities through jobs which support the training activities and right-of-way clearing. Some of these jobs are cooks, camp attendants, labourers, maintenance staff, mechanics, servicemen, welders, heavy equipment operators, chainsaw operators, truck drivers, supervisors and clerical staff.
- provide some opportunities for the development of local construction related businesses by renting heavy equipment and trucks and,
- build a section of the Liard Highway to the same standards as those sections of the highway being built by private contractors.

The first objective of Hire North is to train northern native people in trades and occupations associated with highway construction and maintenance that will improve their employment opportunities. Training at Hire North is made up of on-the-job experience, helped by classroom

group instruction. Hire North's second objective is to provide employment opportunities for northern residents. Non-residents are hired only if the skills needed cannot be found in the Northwest Territories. Employee recruitment is usually done through the Hire North Office and the Canada Employment Centre,

in Fort Simpson. Hire North has contacts in each of the communities, such as the Outreach Worker, or other reliable persons who assist in directing individuals to our Hire North program.



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