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The Honourable Tony Whitford, Speaker

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Editor of Hansard

Michele Vanthull

Box 1320

Yellowknife, Northwest Territories

Tel: (867) 669-2200 Fax: (867) 920-4735 Toll-Free: 1-800-661-0784

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YELLOWKNIFE, NORTHWEST TERRITORIES**Tuesday, March 4, 2003****Members Present**

Honourable Roger Allen, Honourable Jim Antoine, Mr. Bell, Mr. Braden, Mr. Delorey, Mr. Dent, Mrs. Groenewegen, Honourable Joe Handley, Honourable Stephen Kakfwi, Mr. Krutko, Mr. Lafferty, Ms. Lee, Mr. McLeod, Honourable Michael Miltenberger, Mr. Nitah, Honourable Jake Ootes, Mr. Roland, Honourable Vince Steen

ITEM 1: PRAYER

-- Prayer

DEPUTY SPEAKER (Mr. Krutko): Thank you. Item 2, Ministers' statements. Mr. Antoine.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 27-14(6): Initialling Of Tlicho Final Agreement**

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, I rise today to make a statement concerning an historic accomplishment for the Northwest Territories. I am very happy to report that negotiations on the Tlicho comprehensive land claim and self-government agreement have concluded. The chief negotiators for Canada and the Tlicho Treaty 11 Council initialled the final agreement late last week. On Monday, chief negotiator Gary Black initialled the agreement on behalf of the Government of the Northwest Territories with assistant negotiator John T'Seleie and legal counsel Paul Bachand serving as witnesses.

Mr. Speaker, the Tlicho agreement is unique. It will be the first treaty in the NWT to address the inherent right of self-government. It is also the first claims agreement whose settlement area has extensive overlap with lands used by other aboriginal people.

In September 2002, Cabinet directed the GNWT chief negotiator to initial the draft Tlicho agreement and asked the Ministry of Aboriginal Affairs to participate and report back on the public information and comment process that would be set in motion by that initialling.

Our intent, in authorizing the GNWT chief negotiator to initial the agreement last September, was to put negotiations on hold, to release the agreement to the public for review, and to receive comments from the public that might assist negotiators to amend and improve the agreement.

In October, the chief negotiators sent letters to about 40 groups and organizations, including aboriginal organizations, offering to meet with them to discuss any concerns or suggestions they may have with respect to the agreement.

The chief negotiators met with seven aboriginal organizations and 10 other groups who requested meetings. These groups included the Deh Cho and the Akaitcho Dene First Nations.

The Tlicho also had bilateral discussions with the Deh Cho First Nations to discuss overlap. They subsequently signed an overlap agreement in Fort Providence on October 31, 2002.

Building on the successful Deh Cho meetings, the Tlicho held bilateral meetings with the Akaitcho Dene First Nations' elders and chiefs. The discussions lasted for two weeks.

On November 27th, the Premier and I attended the formal signing of the Tlicho-Akaitcho overlap/boundary agreement. The signing in Fort Rae was a jubilant occasion for the Tlicho and Akaitcho people and, indeed, for the entire territory.

Following the review and comment process the three parties worked diligently to amend the Tlicho final agreement primarily to reflect the overlap agreements the Tlicho signed with the Deh Cho and the Akaitcho First Nations.

Mr. Speaker, now that the three parties have initialled the Tlicho final agreement, it still has to be ratified.

The first step in the ratification process is for the Tlicho Treaty 11 Council to approve the agreement. Eligible Tlicho voters will then vote to ratify the agreement.

Once the Tlicho have finished their ratification procedure, our Cabinet and then the federal Cabinet will put the agreement through their respective approval processes.

After all three parties approve the final agreement, it will be signed and both governments will introduce legislation to give it effect. The Tlicho leadership is hoping to sign the final agreement on August 22, 2003, the anniversary of the signing of Treaty 11 in 1921. That is our hope as well.

Mr. Speaker, as someone who has been personally involved in this negotiation process since its very early stages, I believe that the Tlicho agreement has set a new standard for land and self-government claims across the country. For the first time, aboriginal people will not be required to cede or surrender their aboriginal rights as a result of this treaty. This is a huge step forward and one that people have been trying to achieve for a great many years.

The Tlicho agreement is also unique in NWT claims in that the Tlicho will have both surface and subsurface ownership of one contiguous block of land totalling about 39,000 square kilometres surrounding their four communities.

Mr. Speaker, it is also important to point out the work of the negotiation teams from all three parties who worked so long and hard over the past 10 years to reach this point. As the Minister of Aboriginal Affairs, I would like to particularly thank our negotiation team, past and present, and the many staff of the ministry and other departments who have worked hard over the years to make this agreement a reality. Their dedication and stamina is to be commended.

Finally, and most importantly, Mr. Speaker, I would like to congratulate the elders, people and leadership of the Tlicho on this remarkable and historic accomplishment. Mahsi.

---Applause

DEPUTY SPEAKER: Item 2, Ministers' statements. Item 3, Members' statements. The Member for North Slave, Mr. Lafferty.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On All-Weather Road In The North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. On February 24th during Committee of the Whole, the Minister of Transportation stated that it is possible to change the alignment of the road going onto the Lac La Martre road. In order to proceed, he needs assurance that this is what the Dogrib communities want. Mr. Speaker, this is good news to me and to the many constituents I have who have been asking for an all-weather road. I immediately wrote to all the chiefs in my region asking for a letter that indicates where they stand on this issue. Mr. Speaker, I am disappointed to say that because all the Dogrib leaders are dealing with land claim and self-government issues, they have still not responded. I have heard that they might be afraid that creating this road will slow down the land claims process. Mr. Speaker, land claim talks have been going on in the Dogrib region for 11 years and implementation will continue for years to come. Meanwhile, my constituents are asking for this road.

I recently visited all the Dogrib communities with the Energy Secretariat. Building this road was part of the hydro strategy and all my communities would like to have hydro power, Mr. Speaker. Building this road is a win/win situation for the communities and the government and this is what they are asking for. The Minister has stated that if there is interest, he will support the formation of a steering committee to examine this issue. I am wondering if he would support me on a survey of this issue to gauge public support. I am confident that the majority of residents are in favour of this venture despite the lack of response from the chiefs. At the appropriate time, I will have questions on this matter for the Minister. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 3, Members' statements. Member for Frame Lake, Mr. Dent.

Member's Statement On 2003 Seniors' Forum In Yellowknife

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I am told in Yellowknife today we have 22 very special visitors, joining eight of Yellowknife's most respected residents to take part in the 2003 Seniors' Forum. Many of these seniors are directors of the NWT Seniors' Society. Mr. Speaker, they're gathering for the next couple of days to talk about progress on the Seniors' Action Plan released last June. Seniors have built our communities and have made important contributions to where we are today, in social and economic development. Seniors are among the most experienced group of individuals from whom we can seek advice. I congratulate them on their continuing efforts to improve northern community life.

Mr. Speaker, the NWT Seniors' Society can celebrate many accomplishments since their establishment in 1983. Over the years, the society has worked in partnership with other seniors' societies and with government and related organizations to improve the independence and quality of life for seniors in the NWT. They have been working for more than 20 years with the Yellowknife Association of Concerned Citizens for Seniors and other agencies to improve care for seniors suffering from Alzheimer's and other related dementia. Mr. Speaker, seniors, those over 50, are the fastest growing segment in the NWT population. We number 6,000 of the NWT population of 43,000. Unfortunately, at least eight percent of us can expect to become afflicted with Alzheimer's.

Mr. Speaker, the Minister of Health and Social Services has contributed \$50,000 in planning funds towards the YACC's proposal for an Alzheimer's and related dementia care facility. The NWT Housing Corporation has offered a contribution of \$1 million to provide additional housing, but this doesn't include operating funds.

Mr. Speaker, I have no doubt that we will continue to hear recommendations as that we develop a facility, or more likely several facilities throughout the Territories that deals with Alzheimer's and related dementia. Bringing seniors together to hear from them is a good start. Now we need to listen. Mr. Speaker, it's critical that the government plan to put real dollars towards the care of individuals who have been the cornerstone in the way this territory was developed. We owe them a reasonable level of care. Mr. Speaker, I would like to wish them success on their meetings in Yellowknife over the next couple of days. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Tu Nedhe, Mr. Nitah.

Member's Statement On Sport And Recreation For Northern Youth

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, in the NWT, we are determining that obesity amongst young people is becoming more and more of a problem. We have taken recreation and gym teachers out of the school system. We don't seem to provide enough resources to communities so the communities can hire the appropriate number of people to deliver sport and recreation activities in the NWT in our communities. I am going to be asking the Minister responsible what his department's plans are to address obesity and a lack of physical activity in the NWT. I will be asking questions such as has the department ever considered taking sport and recreation out of the department and creating a secretariat or department of recreation, sport and youth? Those kinds of issues should be addressed by this government and should be looked at in the transition document so the next government can start seriously addressing the lack of sport and recreation and physical activities in the Northwest Territories that are leading to obesity and other illnesses in our society. At the appropriate time, I will be asking the Minister responsible questions. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Hay River North, Mr. Delorey.

Member's Statement On Employment Of Northern Graduates

MR. DELOREY: Thank you, Mr. Speaker. Today I rise to bring attention to an issue that is very frustrating to some Northerners and indeed myself. Mr. Speaker, with the advent of increased development in our territory, we need to ensure that we have an educated workforce that will be able to meet the demands of development. In addition, Mr. Speaker, there should be a strong commitment from our government to recruit and develop a northern workforce. Mr. Speaker, the government's maximizing northern employment program is a good initiative that goes a long way in addressing the needs of our northern workforce. However, it appears that there is more work to be done. Mr. Speaker, I am still hearing of instances of educated young Northerners who have attempted to return to the North and put their skills to use to no avail. I have read volumes of literature, Mr. Speaker, about our government seeking qualified nurses, teachers and other professionals.

Mr. Speaker, on the flip side, I am well aware of instances whereby a northern graduate teacher has done all the right things in applying to our district education council and our local schools for gainful employment. Mr. Speaker, these same northern graduates then wait patiently and they are not even favoured with a reply by the district education council that their resumes have been received, and that they have to find out through contacts in the school systems that teaching positions have been filled and they weren't even considered.

These graduate teachers that I speak of, Mr. Speaker, are born and raised in the North, yet they find themselves unable to return to the North and teach. I find this totally unacceptable, Mr. Speaker. We must, as a government, do everything in our power to encourage our young people to return to the North after graduation.

Mr. Speaker, I do believe it is high time that we ensure that our northern graduates are truly given priority in hiring. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' Statements. Member for Inuvik Boot Lake, Mr. Roland.

Member's Statement On Achieving Grade Levels In NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Yesterday I rose on the issue of education and asked the Minister a few questions about the numbers we receive when it comes to the quality or grade our children are in. Mr. Speaker, I am still concerned with the lack of information. Again yesterday, I raised a question about children in Kindergarten to Grade 9. Is there any requirement to achieve a certain mark in that class before they go on? The Minister stated there was some testing done, but he wasn't too specific as to what areas that would be in.

Mr. Speaker, I raise this because as a parent -- and many parents probably find themselves in the same situation -- when we put our children in school, unless you receive a call from the school to say that your child is in trouble or has been in trouble with other students or a teacher in the school, you seem to think everything is going quite well. When the child comes home with a report card that says they are doing satisfactory, you think they are doing pretty good and achieving. It's not until

later on in life when that child goes into, say, Grade 10, when marks start to count for something or when they are starting to prepare themselves for university or college, that we start to find out that they don't have the entry requirements for a college or university program because they have sailed along in the system with not too many worries. They are achieving according to the standards we put in place. Mr. Speaker, we need to look at what we have in place to see if our children are getting quality education and not just quantity. So I will have appropriate questions for the Minister later. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Yellowknife South, Mr. Bell.

Member's Statement On Energy Strategy Consultation

MR. BELL: Thank you, Mr. Speaker. This week I was a bit taken aback to see some of the local media accounts of some of the consultation going on around the energy strategy. The media has portrayed some of that discussion in an article entitled A Tax in Strategy and it discusses higher fuel tax as part of energy strategy discussions. In fact, I think the special advisor on energy indicated the taxes in the NWT are among the lowest in the country. "We don't tax very high at all and we do have some opportunities to raise revenue."

I find this alarming, especially when dealt with in isolation, Mr. Speaker. I think we all know the cost of living in the North is already extremely high. The cost of operating a business, particularly a small business, is high. It's very marginal at times, Mr. Speaker. We have to keep in mind that small business still has to be competitive and it's very expensive to operate here and compete with southern businesses who have easy access to our markets. So I think that, for several reasons, a discussion leading down this path causes me some problems. We know that we simply can't talk about tax increases or propose these types of strategies as a means for paying for our energy strategy as if we are operating in a vacuum. That's the sense that I get here, Mr. Speaker.

It won't be long until we are reading headlines in the newspaper about "stagflation." You've just seen oil prices come in around the \$40 a barrel mark and they've led to inflation. I think the Bank of Canada rate, today or yesterday, was raised just the other day after a report coming out on Tuesday that said we had a 12-year inflation high of 4.5 percent. I think the core rate was 3.3 percent, Mr. Speaker. Much of the inflation rate is being driven by higher energy prices and now we've seen a Bank of Canada interest rate raise.

That's going to mean, Mr. Speaker, it's going to be a tough time for investment. We are looking to see plant and equipment expansion. It's going to be more and more difficult with interest rates on the rise. If we expect to further compound the problem for our residents and for our businesses by raising taxes, it causes me some grave concern. I know this is a discussion paper at this point, but we simply can't be looking at these things in isolation as if we were in a vacuum. I would wonder, on behalf of this government, who is overseeing this energy strategy with a macroeconomic perspective? Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Deh Cho, Mr. McLeod.

Member's Statement On HIV/AIDS Impact On Northern Residents

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, in light of the success our Premier has had in Ottawa with respect to health care funding, it's an opportune time to discuss HIV and AIDS as it impacts northern residents. Mr. Speaker, nationally statistics confirm that HIV and AIDS affect aboriginal people more compared to other ethnic groups. The cause of this is said to result from aboriginal people being disproportionately affected by various social, economic and behavioural factors. These factors include poverty, substance abuse and limited access to health care services, all of which are real and exist in many of our communities.

This government, with an increased commitment in health care dollars, must now commit to providing resources required to raise awareness on the devastating effect this disease has on the lives of those who are affected by the disease. It is a disease that, due to this devastating effect, makes people from all walks of life, including government, take the approach of trying to ignore it and hoping it goes away.

We cannot take this approach anymore. It's time to pull our heads out of the sand and take up the challenge of educating ourselves and our residents. Mr. Speaker, resources are required to support the territorial, regional and community organizations willing to take on the challenge of providing awareness through education. However, this government cannot absolve itself from the responsibility of providing and promoting HIV and AIDS awareness by having others do it for them.

Mr. Speaker it's my understanding that the group AIDS Yellowknife was dissolved in 2002, an organization committed to providing education and support to those concerned with the disease and those living with it and those whose lives are touched by it. It is organizations such as this that require the support of this government. I would encourage this government to seriously assess the resources currently made available to promoting HIV and AIDS awareness among all residents of the NWT. Furthermore, I ask that this government, through the provision of appropriate funding, encourage all groups to continue with the valuable work that they do in providing information and support to those people touched in some way by this disease. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Hay River South, Mrs. Groenewegen.

Member's Statement On Municipalities As "Public Bodies" Under Access And Privacy Legislation

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Today I would like to speak about the inclusion of municipalities as public bodies under the Access to Information and Protection of Privacy Act. It's been pointed out by the Access to Information and Protection of Privacy Commissioner in her last three annual reports that NWT communities currently have no legislation regulating the release of names, addresses or other private information on Web pages or other public documents.

Apparently, municipal officials from both Yellowknife and Hay River see this as a serious concern.

Mr. Speaker, during the review of the commissioner's 1999-2000 report, this government committed to providing information and consulting with communities about the possibility of including them under the current NWT ATIP act. Recent correspondence updating us on the status of this amendment show that there has been little or no action taken to address this issue.

Mr. Speaker, the Standing Committee on Accountability and Oversight supported the commissioner's recommendation that municipalities be included under the territorial ATIP law or that new legislation be drafted to deal with municipalities' use of public information. So, Mr. Speaker, later today I will have questions for the Minister of Municipal and Community Affairs as to the status of this concern in consultation with municipalities about it. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Member for Range Lake, Ms. Lee.

Member's Statement On Lack Of Affordable Housing And Land For Development

MS. LEE: Thank you, Mr. Speaker. Today I would like to speak about an issue that has reached and stayed at a crisis proportion for the last few years in Yellowknife. It has to do with the lack of affordable housing and land for development. Mr. Speaker, yesterday in the media I heard in horror the confirmation of what many of us have suspected all along, which is that the price of an average home in the city has jumped by 40 percent over the last year, from \$151,000 in January of 2002 to more than \$212,000 in January of 2003. A number like this should not go unnoticed by this government, Mr. Speaker. People are suffering with prices like this in the city, whether they be seniors, low income people or everyday working people, Mr. Speaker. The people who talk to me are especially puzzled by the lack of action taken by this government to alleviate this glaring problem.

Mr. Speaker, to address this question, the idea of legislating rent control has been bandied about in and out of this House. I appreciate this speaks to the frustration of many who have had to face the skyrocketing rent increases, but I don't believe that enacting such legislation to apply to all of the NWT to address the needs of a few heated markets is desirable at this time. It was not too long ago, Mr. Speaker, although it's hard for us to believe now, that land owners in the city had to offer all kinds of incentives to attract and keep tenants in their rental property. Studies we have seen have shown that legislated rent control would have long-term consequences in stifling land and property development. That must be undertaken by private development.

Mr. Speaker, I believe that the government still has a duty to take action in order to mitigate the extreme ups and downs in a timely and effective manner. The latest changes to the NWT Housing Corporation's loan guarantee program is one step forward, but that's not enough, Mr. Speaker. What we desperately need is an urgently proactive action on the part of this government to work with the city to make more land available for houses and apartments to be built on. The market

is ready to respond and there are developers ready and willing to invest. We need this government to work with the city to streamline the process for making land development available and make it easier and economical to develop the land. I ask the government to act on this now. Thank you, Mr. Speaker.

---Applause

DEPUTY SPEAKER: Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Mr. Antoine.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, in my opening Minister's statement, I talked about the Tlicho agreement. Today in the gallery, I would like to recognize Gary Black, chief negotiator at the Tlicho table.

---Applause

I would also like to recognize Paul Bachand. He was legal counsel at that table.

---Applause

I would like to recognize Steve Iveson, executive director in the claims area from Aboriginal Affairs.

---Applause

Mr. Speaker, this is one of the last official acts of Gary Black, and I would just like to thank him, on behalf the government, for the work he's done on the Tlicho agreement. Mahsi.

---Applause

DEPUTY SPEAKER: Item 5, recognition of visitors in the gallery. At this time I would like to recognize the people in the gallery who haven't been recognized and would like to welcome you to the House.

---Applause

DEPUTY SPEAKER: Item 6, oral questions. Mr. Roland.

ITEM 6: ORAL QUESTIONS

Question 143-14(6): Achievement Of Grade Levels In NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, again, following in line with my Member's statement on the issue of education, I would like to know from the Minister of Education, Culture and Employment -- since he's had some time to review and get more detail -- if, in fact, there are requirements between K to 9 to advance in the grades? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, in the last Legislature, an inclusive schooling directive was introduced and in our legislative time, our department and I

have signed off on a student assessment evaluation and reporting directive. That paved the way for the department and staff to address the issues that are there and there. We want to ensure that student assessment processes are in place and that teachers have a mechanism by which to do that. As I mentioned yesterday, there are tests. There is also the teacher's ability to deal with the students. They know the students best as to whether they are functioning at the level that they should be functioning at. Those kinds of processes are in place up to Grade 9. As well, more and more we are introducing tests, but we are very dependent on the assessment processes of students and assessments are done by teachers, Mr. Speaker. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. I should also state that the Beaufort-Delta District Education Council and Beaufort-Delta leaders pushed a number of years ago to push testing in the Beaufort-Delta region so they can start to gauge some of our own students up there. In fact, full-time kindergarten started in the previous year to try to get students to go further and learn more at a young age. So I would like to know from the Minister if, in fact, he has worked with other groups out there that have taken advanced positions, for example, on the testing side to try to help them out, because those testing requirements do cost dollars from existing budgets. Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes

Further To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. Testing is taking place. More and more we are using the Alberta process of testing. That is more directed at the curriculum that we teach, similar to the curriculum we teach. Some of the other testing may not apply, but certainly that is an area that we are encouraging more and more and want to see come through. That testing can take place at Grade 3, Grade 6 and Grade 9, Mr. Speaker, so that there can be indicators for teachers beyond the classroom assessments that they do. In addition, Mr. Speaker, we are working on developing tools to assist teachers and making judgments on how to do assessments for students. We have that on the way, Mr. Speaker, for a number of areas. We've also done workshops with program support teachers. We're also developing a handbook, Mr. Speaker, that would be available to schools to use to standardize the understanding of what a modified education program means; if a student is, in other words, in a Grade 7 class but taking courses at different levels. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Roland.

Supplementary To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as parents look to the education system to help them with their children and their needs, we must also look to the information provided and one is those results that come home is a report card telling you if your child is achieving. Yesterday, I asked the Minister what is taken into consideration in coming up with

that achievement mark on those report cards. I would like to know from the Minister today what does that achievement mark reflect? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. The reason for our student assessment evaluation and reporting directive was to set out guides for teachers, schools and so forth to look at the methods of reporting back to the community and back to the parents on the level that students are achieving at, Mr. Speaker. On the report cards themselves, in the Beaufort-Delta specifically, the report cards provide the grade levels and whether the student is above or below a grade level, Mr. Speaker, or whether the student is on a modified program. Then it gives the opportunity for the teacher to address that issue directly with the parents, to speak about the areas below, above or at grade level the student is being graded. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Roland.

Supplementary To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister inform us if through these ratings they are assessing how the child is doing in the education system, or if those tools are used to help prepare them for entrance into college or universities, or is that just a tool to grade our existing system? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 143-14(6): Achievement Of Grade Levels In NWT Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. That is a tool, at the moment, to use for assessment of students, Mr. Speaker. As I mentioned, we are working on a number of areas to improve the system and it allowed us to identify, once we had the two directives in place. We needed to do that as first step. In 2001, we introduced the last student assessment and achievement directive. In addition to that, Mr. Speaker, I should point out that we have been concerned about student achievement and the bottleneck that is created at Grade 10 for example. What we've done in the early childhood development program is to introduce a school improvement program, where we're doing more counseling and effective behaviour support programs. We also addressed the class sizes, student support needs and so forth. Strengthening the role of the parent in the community is another area that we want to work heavily on. There are a number of those kinds of things that we are working on, Mr. Speaker, to address the whole area of student success in our schools. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Member for Great Slave, Mr. Braden.

Question 144-14(6): Low Income Threshold In The NWT

MR. BRADEN: Thank you, Mr. Speaker. My question this afternoon is for Mr. Ootes, the Minister of Education, Culture

and Employment, in his capacity as one of the Ministers involved in the harmonization issue. Mr. Speaker, a few days ago, in a discussion or in question period here, Mr. Bell asked some related questions and one of the Minister's answers suggested our criterion for determining what is a low income threshold for a family in the North. Mr. Ootes replied that the figure is \$3,833 a month, and under that anyone would receive a benefit. This is a national standard, Mr. Ootes pointed out. My question, Mr. Speaker, is taking this number of \$3,833 a month as a national standard, is it appropriate to apply that here in the North, given that the cost of living is at least 20 percent above Edmonton's? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 144-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, that was a level that was provided to us by the Housing Corporation and it gives us the opportunity to provide an incentive for low income working families to reduce their rent, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Braden.

Supplementary To Question 144-14(6): Low Income Threshold In The NWT

MR. BRADEN: Well, you know if this is a national standard, we have to apply some things because we have rules like the National Child Benefit, which can or cannot be applied at our discretion. I guess where I'm concerned here, Mr. Speaker, is that here we have a cost of living, as I say, in Yellowknife that is 20 percent higher than Edmonton. If we go into some of the communities where we are now pushing 30, 40 and 50 percent higher, is it realistic to say that a national standard is really the right one for the NWT? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 144-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I'm informed that this is an example of a level, and that does vary from community to community in the North. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Braden.

Supplementary To Question 144-14(6): Low Income Threshold In The NWT

MR. BRADEN: Again, Mr. Speaker, on the harmonization plan. It seems that some of these thresholds have also changed. We are now counting new forms of income that weren't assessed before. They're being assessed now and that has given rise to some of the issues that my colleagues have raised over the last few days where, because of the harmonization program, people are finding they're not being assessed differently and are having to pay unexpected increases in their rent. Mr. Speaker, is the harmonization program just a way of offloading onto the low income families costs that this government would normally otherwise bear? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 144-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, these figures do not apply, of course, to the income support side, which are different areas. Mr. Speaker, the reason that there has been an income cutoff is to provide an incentive for individuals to go out and work. If the income is below that amount, then of course there is an opportunity for the government to say, well, we will reduce your rent accordingly. So if it works in reverse, in other words, if there is an income level established, then an individual can still earn up to that amount but have their rent reduced by approximately up to \$250, Mr. Speaker. So it is an incentive. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Braden.

Supplementary To Question 144-14(6): Low Income Threshold In The NWT

MR. BRADEN: Yes, thank you, Mr. Speaker. The incentive that is in place for working families is one that I am entirely in support of, have supported and will continue to support. But the issues that have been raised here, Mr. Speaker, concern the sad situations that many elders seem to find themselves in, and students. So where is the benefit or the impact for those people and how they relate when they are in low income situations? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 144-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. First of all, let me explain that income support clients will not be affected by this. Mr. Speaker, they will be fully covered for any increases that will be applied. The next is low income families, working families. As I said, we have an income cutoff there of \$3,833, in which they can receive a rebate on that. For close to 90 percent of our low income working families, the indication is it will go down for them. That leaves our students and our seniors, Mr. Speaker. For students, who are generally on student financial assistance, their rent will go from \$32 a month to \$20 a month. This is designed specifically for students in that fashion. So I believe the program is designed to be consistent with the goals of what we are talking about for harmonization. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Member for North Slave, Mr. Lafferty.

Question 145-14(6): Support For All-Weather Road In North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Transportation, the Honourable Joe Handley. On February 25th, the Minister stated in the House that if there is interest in building an all-weather road in the Dogrib region, he would support the formation of a steering committee to examine this issue and submit a proposal to the federal government. Mr. Speaker, I am wondering if the

Minister would support doing a survey of this issue to gauge public support. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Return To Question 145-14(6): Support For All-Weather Road In North Slave

HON. JOE HANDLEY: Thank you, Mr. Speaker. When the former Minister of Transportation, Mr. Steen, met with the Dogrib chiefs in November 2001, the agreement at that time with the chiefs was that they would each provide a BCR and the Dogrib Treaty 11 Council would also provide some written statement of support for it, and then we would follow up with the creation of a steering committee and a proposal for the federal government. I am prepared to do that. In fact, Mr. Speaker, I will initiate it by writing a letter to the chiefs, if the MLA agrees, and ask them to give me some indication and we will get that steering committee underway. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 145-14(6): Support For All-Weather Road In North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. The Minister did not answer my question. My question to the Minister was if he would support doing a survey of this issue to gauge public support from the communities, not to talk to the chiefs or create a committee. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 145-14(6): Support For All-Weather Road In North Slave

HON. JOE HANDLEY: Mr. Speaker, I have to respect the chiefs and councils of the Dogrib communities, as well as the Treaty 11 Council. If that was their wish, then, yes, I would participate. I really have to respect their position and first contact them if the MLA agrees with that. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 145-14(6): Support For All-Weather Road In North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to ask the Minister what he means by he has to go to the chiefs. Does he not care what the people think in the communities, that he only cares about the leaders' decisions on issues like this? Can he tell me that?

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 145-14(6): Support For All-Weather Road In North Slave

HON. JOE HANDLEY: Mr. Speaker, I care for all of the people in the Dogrib region, as well as all the people in the Northwest Territories, but I have to respect the leaders they elected. They elected the chiefs and those are the leaders in the communities and I have to respect their position as well. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Lafferty.

Supplementary To Question 145-14(6): Support For All-Weather Road In North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. I think the people elected us and the people elected himself also, just to remind him. I would like to ask him one more time, will he do a survey or not in the Dogrib communities if they want a road or not? Public consultation. Thank you.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 145-14(6): Support For All-Weather Road In North Slave

HON. JOE HANDLEY: Mr. Speaker, I have to respect the local leaders and if that's what they want me to do, I would look at it. But really, Mr. Speaker, it's not my place to go do a survey of the Dogrib people to find out if they want a road. There's local leadership who have that responsibility. It's just not my place to do that kind of survey.

DEPUTY SPEAKER: Item 6, oral questions. The Member for Deh Cho, Mr. McLeod.

Question 146-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. I would like to ask the Minister of Education, Culture and Employment a number of questions regarding the harmonization. He's indicated in the House, and he stated again today, that the whole harmonization initiative was based on the fact that we want to encourage people to start working, especially people on income support. Initially, that's what the whole intention of this initiative was. I want to know if the Housing Corporation raises the rent of a person on income support and if we provide additional money for income support, therefore, the cost factor to the person on income support is nil. How does that encourage someone to go to work? Can the Minister answer that for me, please?

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 146-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, income support programs are designed with a productive choice element in it and we will support individuals to go back to work when they are on income support. With the low income families, working families, there's an opportunity to earn income up to \$3,833 a month and they will not be penalized. They will be given the incentive to have their rent reduced, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 146-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, currently the clients on income support in actual reality don't pay rent. If a student now has to pay rent, it doesn't make sense. How much would a student be paying? In reality, we are trying to encourage people to go back to school and we are trying to encourage them to go to work, but we will be affecting

them negatively because we will start increasing their rent. Isn't that right?

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 146-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, if a student is in public housing, at the present time they would pay \$32 a month depending on their income, but they would be at \$32 a month. We are proposing that that be reduced to \$20 a month, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 146-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I am being told by some of the students who are in the different campuses that that isn't the fact. In actuality, if you are from Fort Providence and you are at Thebacha Campus, for example, you would be paying \$300 a month for an apartment, but now you will also have to pay, based on your income, a portion of what you earn from student financial assistance for your house in Fort Providence. So we are double billing them. Is that what's happening here? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 146-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. I can't speak for the Housing Corporation on this, Mr. Speaker, but students in student housing pay according to the college rate. That is not public housing, nor is it considered public housing in the same fashion, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. McLeod.

Supplementary To Question 146-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. I also wanted to ask the Minister regarding his comments about the seniors' cap. Any seniors that are turning the age where they would be considered senior by public housing, after the grace period, will have to pay full rent. So it could be in excess of \$400, not capped at \$400 as stated in the plan.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 146-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the plans are that seniors and students would be grandfathered and they would see a change in their rent, depending upon their income. If they have high incomes, they can be paying up to \$200 a month, but that is capped for the first year and that will change by \$50 per year until the total amount of \$400 is reached and it will stay at that. That is our proposal, Mr.

Speaker. About 75 percent of seniors we look at will pay less than \$100, with the majority being at \$20, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. The Member for Range Lake, Ms. Lee.

Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, further to my Member's statement earlier about the lack of affordable housing, which I believe stems from lack of land available for developers to build on, we are also aware of the fact that the city government is doing all it can to address all these increased needs, but the cost of developing land is becoming more and more prohibitive. My question is addressed to the Minister of MACA. Could the Minister advise what actions he has taken as Minister to see what he can do to help the city government? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Return To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

HON. VINCE STEEN: Thank you, Mr. Speaker. In the past year, the activity that MACA has undertaken in relation to lot development is only relative in non-tax-based communities. The understanding we have and the policy we have for tax-based communities is that tax-based communities develop their own lots in their communities. We don't assist them. Thank you.

DEPUTY SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, that's the problem that we have been facing in this Legislature. The Members from the city and tax-based communities raise this issue over and over and ask the Cabinet to take action on it, and they come back with something for non-tax-based and nothing for the tax-based communities. The Minister is aware, as well as anyone else, that even the city government of Yellowknife cannot deal with the cost of developing lots. They are having a hard time with Niven Lake. Isn't that the Minister's responsibility to look at the situation and see what he can do? Can the Minister answer that, please?

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, the only program that I am aware of that MACA or the territorial government has to assist tax-based communities, and the only one that has been actually created in the past to assist tax-based communities, is the ability for tax-based communities to apply for a loan to develop their own lots. I believe it's called a debenture. This government supports that, but that is the only program that I am aware of. I haven't been, as a department, asked to assist specific tax-based communities in developing their lots. We left it up to them to do their own planning. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I don't believe it's entirely true that nobody has asked him for help to assist with the cost of developing land in tax-based communities, Mr. Speaker. It's this kind of nonchalance about what's going on in Yellowknife that's driving people in Yellowknife crazy.

---Laughter

Everybody points out to me, Mr. Speaker, every resident in Yellowknife brings in \$17,000 or more in transfer payments. Every family that we bring in to Yellowknife brings in money to be spent in the rest of the Territories. So why is there such a nonchalance and pooh-poohing about what's going on in Yellowknife? Thank you, Mr. Speaker.

---Interjection

DEPUTY SPEAKER: Excuse me, could I have some order in the House? It's hard for the Minister to hear the question. Have some courtesy for your colleagues. Minister of MACA, Mr. Steen.

Further Return To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, MACA is well aware of the shortage of lots in the city, as well as in other communities, like Inuvik, for instance. We just don't have a program to assist them. I can commit to taking the issue to Cabinet, but I am sure our Members are aware that the dollars are very limited and we just don't have the capacity to help all the communities with their lot developments. But I will commit to taking this back to Cabinet to see whether we can create a program to help all communities. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Ms. Lee.

MS. LEE: Thank you, Mr. Speaker. I think on a very serious note, I think that Yellowknife is part of the Territories too, and it has its own needs that it's not able to deal with. The cost of developing lots is becoming really prohibitive. Even with this market, the city is not able to develop Niven Lake and developers don't want to jump in there because the risk is too high and all of our infrastructure is aging. Mr. Speaker, may I ask the Minister whether or not he values the fact that every resident that lives in Yellowknife brings in \$17,000 per person in transfer payments and that's essential for the Territories? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Ms. Lee, I will have to rule that question out of order. It's not original to your statement. Please keep your question directed towards your statement, which was the question about land development in Yellowknife, not a question about what individual incomes are. Could you rephrase your question to the Minister?

Supplementary To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

MS. LEE: Thank you, Mr. Speaker. Can the Minister not acknowledge that he is a Minister of this government and responsible for everybody and that includes the residents of Yellowknife and their needs to develop an affordable market? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 147-14(6): Shortage Of Land Available For Development In Yellowknife

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I have no problem acknowledging that.

DEPUTY SPEAKER: Item 6, oral questions. Member for Hay River North, Mr. Delorey.

Question 148-14(6): Employment Of Northern Teaching Graduates

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I spoke about the need for our government to attract and encourage our northern graduates to return to the North. We hear a lot of talk about maximizing northern employment, yet when I go back to my constituency in Hay River, I hear cases of where our northern graduates are having to find employment in the South because they are unable to secure employment with our government due to no fault of their own. It becomes very frustrating, Mr. Speaker. I would like to ask the Minister of Education, Culture and Employment if he is aware of the number of northern students who, after graduating from a southern university with a teaching degree, have been able to secure a teaching job in the NWT? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 148-14(6): Employment Of Northern Teaching Graduates

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I am not aware of the number of individuals who have gained employment with our government after returning from the south after university, or graduated from our northern college system. Nor am I aware of the number of students who have not obtained employment as a result of the maximizing northern employment program. We do have a program that places priority on hiring of teacher graduates, nursing graduates and social work graduates, Mr. Speaker. That is in place. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 148-14(6): Employment Of Northern Teaching Graduates

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, would the Minister state where northern graduate teachers who are born and raised in the North would be classified in a priority rating system in the North as far as teaching positions? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 148-14(6): Employment Of Northern Teaching Graduates

HON. JAKE OOTES: Thank you, Mr. Speaker. We have an affirmative action policy, Mr. Speaker, but outside of that, as I stated, under the maximizing northern employment program, we have consistently stated that priority is given to those graduates who are from the North in the teaching profession, in the nursing profession and in the social work profession, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 148-14(6): Employment Of Northern Teaching Graduates

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I have heard one of our northern graduate teachers has applied for a teaching job in the North, and through a clerical error was not considered for a teaching job in the North. Would the Minister please advise us what he is prepared to do in the interest of maximizing northern employment to secure a teaching job for these northern graduate students who have been overlooked by district education councils? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 148-14(6): Employment Of Northern Teaching Graduates

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the hiring of teachers is done directly by the district education councils. We have informed them of our priority hiring policy for teachers, nurses and social workers. We're continually in touch with the DEC's on this matter, Mr. Speaker, and I am prepared to speak with the DEC's again on this matter, so that northern graduates do receive priority hiring. Thank you.

DEPUTY SPEAKER: Final supplementary, Mr. Delorey.

Supplementary To Question 148-14(6): Employment Of Northern Teaching Graduates

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, would the Minister please advise this House, if the various district education councils, when recruiting for teachers, when they advertise, do they advertise in the South where most of our northern students are attending university, and is that the direction that his department is giving to education councils, as to where they have to advertise? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 148-14(6): Employment Of Northern Teaching Graduates

HON. JAKE OOTES: Mr. Speaker, the advertising is done extensively because from time to time, the DEC's are not aware of where they may be able to obtain employees. The one criterion we do place on students who wish to work in our system is that the location may not be according to their choice. It would have to be wherever vacancies may occur,

wherever their job opportunities may lie. But, certainly, if Mr. Delorey wishes to pass on to me any names he may have, I will certainly look into this matter as well, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Member for Yellowknife South, Mr. Bell.

Question 149-14(6): Low Income Threshold In The NWT

MR. BELL: Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment. I was listening with interest as he answered Mr. Braden's questions about the low income family designation and the \$3,833 a month cutoff. I believe he indicated -- I don't have the Hansard with me -- that this was a national standard but he did acknowledge that this amount goes up in other more remote communities. I'm going to assume the \$3,833 is the Yellowknife cut-off for low income families and we've got this from the national rate he speaks of. Could he confirm that? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 149-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. I have obtained this from the Housing Corporation, Mr. Speaker. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Bell.

Supplementary To Question 149-14(6): Low Income Threshold In The NWT

MR. BELL: Thank you, Mr. Speaker. Just like that, the Housing Corporation just sort of imposed this suggested amount. There was no discussion between education, and this magically appeared. Is it a national standard that designates low income families or is it something we just dreamt up? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 149-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. I understand that there have been some consultations amongst our officials and it is based on the cost of living allowance that we have established. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Bell.

Supplementary To Question 149-14(6): Low Income Threshold In The NWT

MR. BELL: Thank you. Would the Minister then confirmed that despite the comments the other day in the House, this is not some national rate? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 149-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you. In speaking with one or two officials, my department, other departments, that was what I was told. Thank you.

DEPUTY SPEAKER: Final supplementary.

Supplementary To Question 149-14(6): Low Income Threshold In The NWT

MR. BELL: Thank you, Mr. Speaker. I guess what I'm getting at here is if you think about how far \$3,833 goes a month in the Northwest Territories, that cut-off seems way too low, Mr. Speaker. Think of a single income parent with three or four children living in public housing trying to make ends meet on forty-some thousand a year. Why haven't we considered a higher cut off rate? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 149-14(6): Low Income Threshold In The NWT

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I suppose other figures could be taken into account. Higher, lower, this was a figure that was established and used for this particular purpose. Thank you.

DEPUTY SPEAKER: Item 6, oral questions. Member for Tu Nedhe, Mr. Nitah.

Question 150-14(6): Active Living Strategy For NWT Youth

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, my question is for the Minister of the Department of Municipal and Community Affairs, following my Member's statement, Mr. Speaker. Mr. Speaker, we know that in the Northwest Territories that the problem with child obesity and obesity in general is a major problem. We know that obesity leads to health issues. One of the health issues predominately suffered by aboriginal people is diabetes. That is a big problem in southern Canada and it is becoming a big problem in the Northwest Territories. I would like to ask the Minister responsible for sport and recreation, what his department is doing to address this very major problem that is starting to arise in communities. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister responsible for Municipal and Community Affairs, Mr. Steen.

Return To Question 150-14(6): Active Living Strategy For NWT Youth

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, since this government first took over from the previous Assembly, we have been creating a number of programs that would address sports and recreation activities. We've also taken part in an active living strategy with Education, Culture and Employment and Health and Social Services, as well as some of our sports partners. We've also created a number of programs so that the communities can access sports and recreation funding, and recently we've signed an agreement with the federal government, Sports Canada, in the hopes of

increasing active living within Northwest Territories communities. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Nitah.

Supplementary To Question 150-14(6): Active Living Strategy For NWT Youth

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, those are a lot of programs the Minister just mentioned. I'm just wondering, who is charged with the responsibility of managing all those and making sure that all those programs and services designed by this government are being delivered in the communities. So the basic question is, we know the inputs, what's the outcome? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 150-14(6): Active Living Strategy For NWT Youth

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, the majority of programs will be administered by MACA. However, some of the active living strategy programs would be undertaken by different partners that are involved in that particular strategy. First, there is parks and recreation's take on a certain activity, and as well Education, Culture and Employment have recently taken on some activities in relation to promoting active living within the schools, through the students. Thank you.

DEPUTY SPEAKER: Supplementary, Mr. Nitah.

Supplementary To Question 150-14(6): Active Living Strategy For NWT Youth

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, I think it is pretty much general knowledge that once you start farming out all these programs and services, there is no coordination in the delivery of it. Has the department ever considered taking sports and recreation out of the Department of Municipal and Community Affairs, and creating a secretariat or a department on its own? Considering that we do participate in the Canada Winter Games, and now we are starting to participate in a big way in the North American Indigenous Games, maybe it is something for consideration. Has Cabinet and the Minister ever considered something like that? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 150-14(6): Active Living Strategy For NWT Youth

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, sports and recreation is becoming more and more of a big demand in the communities and it is taking on a higher profile as well in the NWT. I believe the government has responded in one way to have a youth secretariat under MACA, but primarily to address youth initiatives. However, there is going to be some overlap into sports, no doubt. Sports and recreation still remains with MACA. MACA, as I said earlier in this House, is in the process of creating an NWT sports board and we are hoping the outcome of the board is they will be giving some clear direction to MACA as to what programs we should be implementing, what sports activities we should be paying the most attention to, and we are hoping this information is coming

right from the grassroots communities through the sports organizations. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. Nitah.

Supplementary To Question 150-14(6): Active Living Strategy For NWT Youth

MR. NITAH: Thank you, Mr. Speaker. Mr. Speaker, the communities are what interest me. We know that Sport North has a poor record when it comes to sharing its resources with communities. We know the statistical information is deplorable. We know the representation from small communities at these sporting events that I mentioned leaves something to be desired and we know that sending messages that say "live actively" does not work. What are we doing to get money into those communities? When we created the Ministry for Youth three years ago, what was the budget for that responsibility last year? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 150-14(6): Active Living Strategy For NWT Youth

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, there has been, over the last couple of years since I have been Minister of MACA, some dissatisfaction with Sport North and how they spend their funding. However, that's the purpose of the creation of the sports board, which would give direction to Sport North as to how they would be spending their funding in the future. It is the intent of MACA to see some of that funding go to the grassroots communities as well. How that's going to happen is we will leave that up to the board to create their own plans. In relation to the reason for the creation of the youth secretariat, Mr. Speaker, as I said earlier, the youth secretariat was created specifically to address youth and to encourage active living of youth and also there is no doubt there is going to be some overlap between youth activities in sports and MACA sports and recreation activities. You can't help having some overlap, but we will try to limit it by working together, so that we can take as much advantage of our funding as possible. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 6, oral questions. Member for Hay River South, Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement today, I talked about the inclusion of municipalities under the NWT Access to Information and Protection of Privacy legislation. Mr. Speaker, we have a very conscientious and diligent ATIP commissioner, in my opinion. She has brought forward this issue in three annual reports and the government has made numerous commitments to follow up on this recommendation. It would appear that municipalities are in support of it. This government seems to have indicated its support of it, certainly AOC is in support of it. I am wondering what's the hold up on having this discussion and making this amendment to this legislation. Thank you.

DEPUTY SPEAKER: Mrs. Groenewegen, with your to your question, there is an item in Committee of the Whole that deals with this matter, so it may be inappropriate to ask this question at this time knowing that it is in Committee of the Whole for

debate. Mrs. Groenewegen, could you rephrase your question?

Question 151-14(6): Municipalities As "Public Bodies" In Access And Privacy Legislation

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, would it be appropriate to ask the Minister if he could just inform the House as to what he has undertaken as Minister to communicate with the association of communities? Would that be appropriate?

DEPUTY SPEAKER: The question is appropriate. Minister of MACA, Mr. Steen.

Return To Question 151-14(6): Municipalities As "Public Bodies" In Access And Privacy Legislation

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, since I have been Minister of MACA, we haven't undertaken any initiatives in relation to including municipalities under the Access to Information and Protection of Privacy Act. There was a meeting held between MACA, the Department of Justice and local government administrators on September 28, 2001. At that time, there was a discussion about the pros and cons of including municipalities under the access to information act. We've been advised that it would add to the records management cost of communities and it would be significant and training would be time consuming and the act could not be applied to bands because bands are under federal legislation. So there have been no discussions with either individuals, communities, or the NWTAM as to whether or not there is any support to have this included under the Access to Information and Protection of Privacy Act. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 151-14(6): Municipalities As "Public Bodies" In Access And Privacy Legislation

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I believe this is a very important issue and I raise it on behalf of my constituents, at least. Mr. Speaker, the NWT Association of Communities meets annually and I believe there will be another meeting of the communities coming up in the spring. I was wondering if the Minister would undertake to secure some kind of time on that schedule, that agenda, to discuss this important issue with them. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of MACA, Mr. Steen.

Further Return To Question 151-14(6): Municipalities As "Public Bodies" In Access And Privacy Legislation

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I can certainly take this up with the NWT Association of Communities and have them discuss it at their next annual meeting. However, I doubt very much if there will be any changes to the act before this government's time is up. I will certainly take it up with the association of communities to see if we can develop support for this initiative.

DEPUTY SPEAKER: Thank you. Item 6, oral questions. Member for North Slave, Mr. Lafferty.

Question 152-14(6): All-Weather Road In The North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. My question is for the Honourable Joe Handley, Minister of Transportation. My question is related to the all-weather road connecting the communities to Highway No. 3. When the Minister took the steps to scrap the all-winter road -- which was the first step to an all-weather road which the former Minister was working on with me and the communities -- did he consult with the chiefs out of respect? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Return To Question 152-14(6): All-Weather Road In The North Slave

HON. JOE HANDLEY: Mr. Speaker, I carried on where the former Minister of Transportation had left off. At that time, the current road alignment had been used for a number of years and is still being used. There has been no change.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 152-14(6): All-Weather Road In The North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, I asked the Minister if he consulted with the chiefs out of respect when he made a decision not to change the alignment of the road. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 152-14(6): All-Weather Road In The North Slave

HON. JOE HANDLEY: Mr. Speaker, I have carried on with the same agreement that was made by the former Minister in November 2001. I did have one meeting that I recall with the Grand Chief and with two or three of the chiefs -- I can't remember exactly how many. At that time, I told them that I would continue with the same commitment that had been made by Mr. Steen. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 152-14(6): All-Weather Road In The North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, can the Minister share with us what the commitment was of the former Minister that he was alluding to?

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 152-14(6): All-Weather Road In The North Slave

HON. JOE HANDLEY: Mr. Speaker, the commitment that was made in November by the former Minister was made at a meeting between the Minister, Mr. Lafferty, and the Dogrib chiefs. At that time, the commitment was to use the current alignment for the 2000-2001 year, and that the department would consider building on the alternate alignment the old winter road towards Wha Ti. Second, the Dogrib Band and Treaty 11 Council agreed that they would pass a resolution recommending that DOT move the winter road to the original alignment and that there would be permanent bridges

proposed over the Lac La Martre River and James Creek. Third, that on receiving those resolutions, the Minister of Transportation would seek funding for this project by bringing it to Cabinet's attention. Fourth, that land would be identified and secured in the name of the commissioner from the Dogrib land claim agreement before public money would be spent on any new road. Fifth, that a steering committee would be formed to oversee the preparation of a submission to DIAND regarding an all-weather road. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. Lafferty.

Supplementary To Question 152-14(6): All-Weather Road In The North Slave

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to ask the Minister, now that he's given the information that we needed to know, can he tell me who will be responsible to go further with this initiative? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Transportation, Mr. Handley.

Further Return To Question 152-14(6): All-Weather Road In The North Slave

HON. JOE HANDLEY: Mr. Speaker, as Minister of Transportation, I am waiting for some indication from the Dogrib chiefs that they are in agreement with this. This agreement that was made in November 2001 asked for resolutions. If it is a resolution or a letter or whatever from the chiefs and they indicate they want to move ahead with this, then I have said for the last year or more to send me something and I am ready to move ahead with the commitment made in November 2001. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. Lafferty. Item 6, oral questions. Member for Deh Cho, Mr. McLeod.

Question 153-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I want to once again ask the Minister of Education, Culture and Employment some questions on harmonization. Mr. Speaker, I mentioned before that this whole initiative was brought forward in the 13th Assembly, and for years this government didn't want to burden our students and our seniors with the additional cost of rent as they have a very difficult time as it is. Somehow, this initiative got off the ground and was intended to encourage people to go back to work, encourage people to go out and find jobs. I would like to ask the Minister of Education, Culture and Employment how is this initiative encouraging our seniors and our students to go find jobs? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Return To Question 153-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Mr. Speaker, I don't believe the harmonization policy was established to encourage people to go back to work. It affects one segment of those in public housing, but understandably seniors and students are not there to go back to work, neither are perhaps other people. The policy was established because there are inequities, Mr. Speaker, among people who are in public housing. There are high income people in public housing and there are low income

people in public housing. The intent was to ensure that public housing is utilized by those who are in low income situations, Mr. Speaker. That was the intent of the policy, to ensure that public housing is there for the people who are most in need. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 153-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I don't understand the intent of this whole initiative. I don't understand why we want to keep certain people out of certain income levels. Any income our seniors make, we are going to take a portion away, we are going to claw it back. In fact, we are penalizing them. We want them to stay at home and not do anything. I want to know why this Minister decided to include seniors as part of this initiative. What inspired him to do that? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 153-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Mr. Speaker, the income support program has certain criteria for individuals. The Housing Corporation did not have those same criteria, criteria that need to be applied when people apply to get into public housing. We wanted to harmonize that to ensure that we use consistently the same criteria for those who are on income support and those who are in public housing. Mr. Speaker, today, in public housing we have some individuals who earn high incomes. Is that appropriate? Mr. Speaker, that is the issue that we are trying to address here with harmonization to ensure there are criteria in place and that in the long run we have individuals in public housing that deserve to be in public housing. Those high income individuals are not paying appropriate rent at the present time, Mr. Speaker. So we needed to address that particular issue. That is the purpose of harmonizing, so that programs run by income support are there already, have been there all along, we have consistent application of that. However, in the housing area, we did not have the same criteria to assess how individuals would apply for public housing. We needed to ensure that was in place, Mr. Speaker, to ensure those individuals that apply for public housing meet the criteria to be in those houses, Mr. Speaker.

DEPUTY SPEAKER: Supplementary, Mr. McLeod.

Supplementary To Question 153-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, this government has indicated that they have consulted with the seniors' societies across the North and they have talked to a lot of seniors, and seniors are welcoming this whole initiative. Could the Minister give me some dates where he's talked to the elders' council of Fort Providence, the council that represents the seniors in my community, Mr. Speaker? Thank you.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 153-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, consultation was done early on. I don't recall the dates and I don't have that handy here. We can certainly get for the Member any consultation that may have been undertaken in this area. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Final supplementary, Mr. McLeod.

Supplementary To Question 153-14(6): GNWT Harmonization Strategy

MR. MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, we, as a government, over the last number of years have encouraged our seniors to move into public housing and we've encouraged our seniors to take up residence in government housing. We assured them we were going to look after them. I would like to ask the Minister why has this Minister reneged on that commitment? Thank you, Mr. Speaker.

DEPUTY SPEAKER: Minister of Education, Culture and Employment, Mr. Ootes.

Further Return To Question 153-14(6): GNWT Harmonization Strategy

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I do not run the public housing programs in the territory. I have a program. We decided that should be harmonized with the Housing Corporation. The Housing Corporation came to us and asked what programs we should harmonize with, we should do it the same as each other. Mr. Speaker, I will speak as a government, we are not there to drive people out of public housing. We are not there to do that. We are trying to get consistency for the program, trying to ensure that high income earners do pay their way for public housing and that is not the case at the present time. There are high income earners in our public housing and that means those on low incomes cannot get into public housing. We speak all the time about the need for more housing in the Territories. An opportunity is there to address the inequities. This program is meant to ensure that those most in need have the opportunity to be serviced. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Time for oral questions is up. Item 7, written questions. Mr. Nitah.

ITEM 7: WRITTEN QUESTIONS

Written Question 3-14(6): Public Housing Data

MR. NITAH: Mahsi cho, Mr. Speaker. I have some written questions for the Minister Responsible for the NWT Housing Corporation on:

1. The number of public housing units in the NWT;
2. The number of income support clients in public housing;
3. The number of elders in public housing;
4. The number of college/university/adult basic education students in public housing;
5. The number of single parents in public housing;

6. How rent is assessed for these groups today;
7. How rent will be assessed under the harmonization initiative to these groups of clients in public housing;
8. An explanation of how income is assessed for NWT Housing Corporation clientele and the rationale behind it.

Mr. Speaker, I would like to have that information by community. Mahsi cho.

DEPUTY SPEAKER: Item 7, written questions. Item 8, returns to written questions. Item 9, replies to Opening Address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Item 14, notices of motion. Mr. Lafferty.

ITEM 14: NOTICES OF MOTION

Motion 6-14(6): To Discontinue The Strategy To Harmonize Income Support And Social Housing

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Thursday, March 6, 2003, I will move the following motion: I move, seconded by the honourable Member for Deh Cho, that the implementation of the harmonization of income support and social housing strategy be discontinued in its entirety; and further, that any future initiatives to address income support and public housing inequities consider the inherent difficulties encountered by seniors and students in the North. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Mr. Handley.

ITEM 15: NOTICES OF MOTIONS FOR FIRST READING OF BILLS

Bill 11: Supplementary Appropriation Act, No 3. 2002-2003

HON. JOE HANDLEY: Mr. Speaker, I give notice that on Thursday, March 6, 2003, I will move that Bill 11, Supplementary Appropriation Act, No. 3, 2002-2003, be read for the first time. Thank you, Mr. Speaker.

DEPUTY SPEAKER: Item 15, notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in Committee of the Whole of bills and other matters: Bill 2, Bill 3, committee reports 3-14(6), 4-14(6), 5-14(6), 6-14(6), and 8-14(6), with Mr. Lafferty in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Lafferty): I will call the committee to order. What is the wish of the committee? Mr. Dent.

MR. DENT: Mr. Chairman, I would like to recommend the committee continue consideration of Bill 3 and committee reports 3-14(6), 4-14(6) and 5-14(6) concurrently, first of all to deal with the Department of Resources, Wildlife and Economic Development. Should we get through that, then move into Public Works and Services.

CHAIRMAN (Mr. Lafferty): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 3: Appropriation Act, 2003-2004

Department Of Executive

CHAIRMAN (Mr. Lafferty): Before we take a break, I would like to draw the attention of the Members to the Executive office program summary, page 2-11. We need to conclude that item. Sorry, we were on the wrong page. It's page 2-5, operations expense, total operations expense, \$50.183 million.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Lafferty): Does the committee agree that that concludes the Department of Executive?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Lafferty): We will now take a break.

---SHORT RECESS

Department Of Resources, Wildlife And Economic Development

CHAIRMAN (Mr. Lafferty): I will call the committee back to order. We are dealing with the Department of RWED. Does the Minister have any opening comments?

Minister's Opening Comments

HON. JIM ANTOINE: Yes, Mr. Chairman, I have opening comments. Mr. Chairman, I am pleased to present the 2003-2004 main estimates for the Department of Resources, Wildlife and Economic Development. The main estimates propose total operational expenses of \$85.509 million for 2003-2004. This is a \$2.935 million or 3.6 percent increase from 2002-2003. There are no new initiatives but additional funding is proposed for a number of forced growth initiatives. The proposed capital infrastructure acquisition plan requests \$2.935 million.

The proposed main estimates reflect the continuation of existing departmental initiatives aimed at preserving and protecting the environment while fostering the prudent and sustainable development of both renewable and non-renewable resources. I will now highlight the major initiatives that the department is undertaking this upcoming fiscal year.

Mr. Chairman, the Northwest Territories has experienced an unprecedented level of economic growth during the past few years. Our challenge today is to build on that growth, to encourage it, and to balance it with a resolute stewardship of our natural environment.

The department will undertake a number of major initiatives to protect the environment. Firstly, the proposed \$1 million investment in the western NWT biophysical study will gather the baseline data needed to measure the impact of natural gas development on the land, air, water and wildlife. As well, the number and focus of wildlife studies conducted will increase

and expand this year. These studies will determine the health and status of both endangered species, such as wood bison, as well as other species, including moose, grizzly bears and caribou.

Second, the department is currently developing and implementing new regulations to protect the environment. We will create new regulations governing the proper handling of used oil and waste fuels, revise the existing contaminated sites guideline to incorporate current Canadian standards, and develop a new air quality code of practice for the oil and gas industry.

Third, in June we intend to introduce the Waste Reduction and Recovery Act to create a legislative framework for a territory-wide waste recovery and reduction program that will include beverage containers. This should reduce the amount of waste going to land fill sites.

Fourth, to ensure that environmental and socio-economic impacts from northern development are fully considered, the department will expand its environmental assessment unit to increase the number of staff handling the environmental reviews of various projects in the NWT. There was \$335,000 allocated in forced growth to fund these environmental assessment initiatives.

The department's role in protecting the environment is critical to maintain the healthy wildlife and forest resources that are the basis of the renewable resource economy and tourism. The department will continue with the following initiatives in these sectors.

Trapping is an important part of northern life and continues to provide seasonal income for many people living in our smaller communities. The department has increased the number of species covered under the fur pricing program and is developing further changes to the payment schedule of the program. Meetings with trappers will be held later this year to finalize changes to the fur pricing program before the next fur-trapping season that begins in November 2003. Our goal is to improve the opportunity for existing trappers to maximize their returns and to encourage new entrants into fur harvesting.

A healthy arts and crafts sector in the Northwest Territories will provide income for our residents, diversify our economy and promote our unique cultures around the world. The report of the NWT Arts Strategy Advisory Panel will guide the development of an effective arts and crafts strategy in the Northwest Territories during the next year.

The Government of the Northwest Territories has joined the federal government, the provinces and Yukon territory in signing two major agricultural agreements, the agricultural risk management agreement and the agriculture policy framework agreement. Together, these agreements will provide a framework able to support cost-shared initiatives valued at up to \$2.5 million over a five-year period.

Mr. Chairman, the Northwest Territories is a major tourist destination for visitors from around the world. The proposed amendments to the Territorial Parks Act will enable us to better protect and preserve our territorial parklands, and plan more effectively for sustained economic development.

The department will continue to work with NWT Arctic Tourism Association and the Canadian Tourism Commission to market the Northwest Territories as a prime tourist destination. We will be providing the NWT Arctic Tourism Association with another \$900,000 next year, which they will use to leverage up to a total of \$1.8 million for marketing, through the CTC and others.

Forested lands in the NWT are primarily publicly owned. Land claim organizations in settled land claim areas own forest resources on their private land. The GNWT has the authority to issue a number of different licences and permits, including timber-cutting licences, under forest legislation.

A forest inventory, at a landscape level involving the classification of vegetation types from satellite imagery, has been completed for virtually the whole NWT. More detailed inventories have been completed for over forty thousand square kilometres in the NWT. The establishment of commercial timber operations can be carried out in areas where detailed forest inventories have not yet been completed. Interim timber supply analyses can be prepared to support applications for significant volumes of timber. Some communities are quite active in utilizing their timber resources to support their forest industry. The department continues to conduct forest inventories at a more detailed level in areas where there is potential for commercial opportunities. Inventory is an ongoing process, as forest areas change over time through growth, harvest, insect damage, disease, other industrial developments and fire.

Further growth in the NWT forest industry is contingent on the successful settlement of outstanding aboriginal land claims and the easing of a very tight labour market. The department is currently working with aboriginal leaders, including the Tetlit Gwich'in Council in Fort McPherson, to encourage employment in the forestry industry.

In the coming year, the department will revise its training strategy for forest fire management. Our goal is to enhance and upgrade the skills of contract and other personnel to meet the new national standards for the incident command system. Canadian fire agencies have agreed to adopt this system to facilitate the international exchange of fire personnel.

Mr. Chairman, the Standing Committee on Governance and Economic Development noted in their report on the draft main estimates that some members indicated that a negotiated contract was used in awarding the original 1995 contract to Buffalo Airways Ltd.. I would like to clarify for the record that the air tankers contract originally awarded to Buffalo Airways Ltd. in 1995 was done through a public request for proposal process.

Much of the economic growth the Northwest Territories has enjoyed in recent years can be attributed to our developing diamond industry. The start of production at the Diavik diamond mine at Lac de Gras earlier this month is yet another example of the growth and importance of this industry to our economy. We are currently working to conclude a socio-economic agreement with De Beers to cover its proposed diamond mine at Snap Lake. We want an agreement that will maximize primary business opportunities, maximize spin-off business opportunities and maximize jobs in the Northwest Territories.

Our secondary diamond industry also continues to grow. However, for it to reach its full potential, we need to persuade

the competition bureau to change its definition of a Canadian diamond. The Canada Customs and Revenue Agency has defined a Canadian diamond as one mined, cut and polished in Canada. We agree, and we will continue to press the Competition Bureau to adopt this broader and fairer definition of a Canadian diamond.

In the oil and gas sector, the Government of the Northwest Territories will continue planning and preparing for the construction of the proposed Mackenzie Valley pipeline, including the negotiation of a socio-economic agreement that will ensure that the residents of the Northwest Territories receive their fair share of the benefits. This work is being done with the expectation that a preliminary information package will be filed shortly by the Mackenzie Delta Producers Group.

With our diverse and growing economy, the Northwest Territories is not only an energy producer, it is also a major energy consumer. The NWT energy strategy will provide a blueprint for reducing the high cost of energy to consumers, while ensuring continued access to reliable energy services. We are expecting to table this document during the June session.

Mr. Chairman, small businesses are critical components of our economy and the department will also continue work to support them. Our intent is to introduce legislation to create a new Business Development and Investment Corporation in June. The new corporation will combine the operations of the Northwest Territories Development Corporation, the Business Credit Corporation and the department's business programs under a single board and administration. It will provide community and economic development services, including financial assistance, business information, and promotion and mentoring services to existing and potential entrepreneurs in the Northwest Territories. The department now supports seven community futures organizations which provide small business lending activities to all the communities in the NWT. The department plans to reduce its overall budget by \$500,000 per year once the new corporation is in full operation.

Through the maximizing northern employment strategy, the department will continue to support workplace-based training and other community capacity-building projects financed by the private sector partnership fund. We will also implement the memorandum of understanding on contracting signed with the Gwich'in Tribal Council, which will promote the awarding of government contracts to local aboriginal businesses.

Lastly, the Business Advisory Panel has submitted its report on manufacturing in the NWT. We will distribute the report widely, and based on the input received, we will develop and implement a strategy to support and encourage the growth of this important sector of our economy.

In conclusion, Mr. Chairman, the main estimates of the Department of Resources, Wildlife and Economic Development clearly indicate how it intends to preserve and protect our natural and cultural heritage. They also describe how the department intends to promote sustainable economic development that will benefit all the residents of the Northwest Territories. This budget reflects our best efforts to strike a balance between these important objectives and to do so in a way that is prudent and cost-effective. Mahsi, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Antoine. The Chair for GED, Mr. Roland.

Standing Committee On Governance And Economic Development Comments

MR. ROLAND: Thank you, Mr. Chairman. The Standing Committee on Governance and Economic Development met with the Department of Resources, Wildlife and Economic Development, or RWED, on January 20, 2003, to review the department's draft 2003-2004 main estimates.

The department is proposing a net decrease of \$6,000 from its prior 2003-2006 business plans. This decrease is due to an adjustment in amortization expense for the department.

Division Of Department

As members reviewed the extensive and varied responsibilities of the department, the committee reiterated their opinion from prior years. The committee has expressed their concern that the combination of wildlife and environmental protection with economic development creates unnecessary complications and competing interests within one department. The committee also is concerned that as the focus of the NWT has turned to its increasing economic growth, the need for a focused program to monitor the effects of development on the environment, wildlife and communities is even more vital than before.

The committee has suggested in previous reports that there may be a need to divide the department into the two respective departments. One department would maintain responsibility for environmental and wildlife protection, as well as forest management and land use. The other department would manage all aspects of economic development programs and divisions. The committee feels that the division of RWED into two departments would eliminate the possibility of one activity overshadowing another vital activity.

The committee would like to suggest that the Premier's Task Team on Corporate Review and Transition Planning take the committee's suggestion to divide the Department of RWED into consideration for its final report.

Forest Fire Pre-Suppression Contracts

In September of 2002 the committee reviewed the business plans for the Department of RWED and was told that the pre-suppression water bomber contracts were due to be renewed shortly. The Minister stated that he had received Cabinet approval to proceed with another negotiated contract with Buffalo Air to renew for a further five years.

Several members of the committee noted that negotiated contracts were used in awarding the original contract to Buffalo Air and in the previous renewal for a total of seven years. At the time of their last renewal, Members of the 13th Assembly were assured that any future contracts would be put out for tender. Members are aware of the significant amount of these two contracts totalling almost \$21 million dollars. In order to open up the process and allow for equal competition in the NWT as well as to guarantee the GNWT's provision of services at a competitive price, the committee had recommended that the water bomber contracts up for renewal be open to requests for proposals.

In its response to the committee, the department stated that it recognizes that contract services obtained by the GNWT must be provided at a reasonable cost. However, the department

also stated that if contracts were awarded to a company other than Buffalo Air, the new company would require time to build the needed skills and incur costs associated with capital for infrastructure and the development of training programs. These costs would be reflected in the cost of the contracts to the GNWT.

On December 20, 2002, members and the public were informed that the two five-year contracts for air and land-based tanker services for forest fire management contracts were awarded to Buffalo Air.

Members are not convinced that there was an urgent need to renew the existing air contract with Buffalo Air for five years, rather than offering the contracts up for RFP. However, members were pleased to hear that the Minister had written letters to all the airline companies based in the NWT explaining his decision to award the contract.

The Minister also stated that a new RFP would be offered to NWT airline companies by year three of the current five-year contract with Buffalo. The government feels that this will allow local companies enough time to build up the necessary infrastructure and training programs in order to adequately compete with a well-established firm that has been operating the contract for a dozen years. The standing committee hopes that this process will allow for competitive bids from local businesses so that they, too, may continue to flourish.

NWT Business Development Corporation

Members noted the planned incorporation of a new NWT Business Development Corporation within the department. The committee has expressed concern repeatedly in prior reports about the need to streamline business development funding to reduce duplication and to clarify the process for business operators in the NWT.

Members had also expressed concern during the business plan review that any proposed changes to the department would require extensive legislative change. The committee received the legislative proposal for the new corporation in January and reviewed the proposal on January 22, 2003. The committee raised several issues that were of particular concern to them and made numerous recommendations in letters to the department.

In particular, members would like to be assured that the process of distributing funds throughout the NWT is fair to all communities and not focused on areas that are already experiencing significant economic growth. Members also raised concern about the methods of business development funding delivery within small communities, especially those without economic development officers or those ineligible for community futures funding.

During the review of the draft main estimates for the department, however, members limited themselves to the issue of potential savings that had been proposed by the department by the amalgamation of the numerous business funding programs operated by the GNWT.

In the initial discussions with the department, the committee was informed that the proposed amalgamation would see an annual savings of \$500,000. However the committee was unable to identify this savings within the draft main estimates.

Upon questioning, the department stated that the Financial Management Board Secretariat has taken the \$500,000 off the top and had restated funds in the draft main estimates to take that into consideration.

However, the committee then noted an increase in the draft main estimates for the new NWT Business Development Corporation of \$174,000. Members must conclude then that the proposed savings of \$500,000 are now being reduced to a mere annual savings of \$326,000. As the new corporation will ultimately be responsible for distributing over \$8 million dollars in business development funding, members are concerned that the proposed amalgamation is not resulting in the desired outcome of administration expenditure savings.

Members look forward to reviewing the bill in committee and ensuring that their concerns are addressed prior to the planned incorporation for the summer of 2003.

Arctic Canada Trading Corporation

The Arctic Canada Trading Corporation, ACTC, has been a long-standing project of the NWT Development Corporation to provide a marketing outlet for local artisans. The ACTC purchased goods from local artists and proceeded to market these goods to retail organizations both in the NWT and throughout Canada. Members are aware that during its heyday the corporation provided a large supply of native art and crafts to the southern markets.

It would appear from the comments made by the president of the NWT Development Corporation during the review of RWED's main estimates that the ACTC is no longer operating in its former capacity. In fact, the president of the NWT Development Corporation stated that the ACTC is now down to a staff member of one.

Members also became aware that the Arctic Canada Trading Corporation had recently attempted to promote discount sales of items over the Christmas season through a promotional flyer. Retail outlets were upset to see a government-funded operation directly competing with local businesses. The committee asked if the new Business Development Corporation would attempt to directly compete with thriving independent businesses in the NWT. The committee was advised that there will be a retail representative on the new board for the Corporation and that the board will reconsider its current retail policy.

Finally, the committee feels that considerably more attention must be paid to assisting local artisans in marketing their wares. Many small communities in the NWT lack the resources to sustain a viable retail business community. Therefore, local artisans require assistance in both marketing their goods and/or shipping their pieces to NWT or southern markets. Members would like to see the development of a program to provide workshops and assistance directly to artisans within their own communities. Successful artists could provide these workshops and develop a valuable network of artisans throughout the NWT.

Petroleum Specialists

The issue of providing oil and gas specialists for those communities which will be significantly impacted by upcoming oil and gas exploration in their area was discussed.

During last year's review of the department's business plans and main estimates, the department committed to providing four new oil and gas specialist positions within impacted areas of oil and gas development. In specific relation to the oil and gas position in the Deh Cho region the Minister stated during the review of the main estimates on January 21, 2002, that he would fill that position. (Hansard, GED review of the 2002-2003 Main Estimates, RWED, p. 60)

The Minister followed up that commitment by stating in the House on February 27, 2002, in reference to the position in the Deh Cho region, "The position is not filled and we have to fill it." (Hansard, Feb.27, 2002, p. 222)

The Member for the Deh Cho region is particularly concerned that the communities impacted by new development in the region are currently unable to adequately negotiate with large multi-national oil and gas companies due to a lack of expertise in this area. Negotiations regarding impact benefit agreements, wildlife management, environmental concerns and the social impacts caused by increased activity in this sector are all vital areas that need to be addressed by community leaders. The Standing Committee on Governance and Economic Development recommends the Department of RWED hire an experienced person to assist the Deh Cho communities with negotiations related to increased oil and gas activity within their area as soon as possible.

Energy Strategy

The new Energy Secretariat was announced during the main estimates for 2002-2003. Members were told at that time that the secretariat would produce an energy strategy to help the NWT address serious concerns regarding the consumption of fuel, possible alternative methods of energy production and savings as well as future considerations for the pricing of fuel and distribution.

Some members at the time expressed support for the secretariat but felt that the issue of energy would be better handled by RWED as opposed to the Department of the Executive. Members were pleased to see the Premier agreed with their recommendation and transferred responsibility for this new secretariat to RWED.

As the committee reviewed the business plans for the departments in September 2002, Members were disappointed to hear that the draft energy strategy was still unavailable for distribution. As many crucial decisions related to energy development, such as the proposed one-rate zone for the Power Corporation, were to be based on this report, members were concerned that they lacked this information heading into the final year of their term.

During the main estimates review, members were informed that the original draft energy strategy had to be substantially rewritten into a discussion paper before Cabinet would consider its release for public consultation. After the considerable amount of resources committed to this Energy Secretariat, members had expected to receive a more detailed report than a discussion paper and in a much more timely fashion.

Forestry Management

The committee remains concerned about forestry management issues, especially given the complicated ownership and

authority of forest lands in the NWT. As the committee pointed out in the last main estimates report, the lack of a timber inventory for the NWT is severely hampering efforts to establish commercial forestry operations.

While the committee recognizes that a detailed forest inventory will never be complete, it would like to be assured that the department has at least an estimate of the current forest inventory in the NWT or could at the very least provide a new timeline of when that estimate would be available. Until communities are provided with a basic knowledge of the resources within their areas, they cannot attempt to develop economic opportunities based on those resources. Baseline data is crucial for those communities to diversify their economic development. That concludes the Standing Committee on Governance and Economic Development's report on Resources, Wildlife and Economic Development. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Roland. At this time, I would like to ask the Minister if he would like to bring in witnesses.

HON. JIM ANTOINE: Yes.

CHAIRMAN (Mr. Lafferty): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Lafferty): Sergeant-at-Arms, please escort in the witnesses.

I would like to ask the Minister if he can introduce his witnesses at this time.

HON. JIM ANTOINE: Yes, Mr. Chairman. I have with me today, to my left is deputy minister of Resources, Wildlife and Economic Development, Bob McLeod; and, to my right is Jim Kennedy, director of corporate services in the same department. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Ms. Lee.

General Comments

MS. LEE: Thank you, Mr. Chairman. I have some general comments that I would like to make in response to the Minister's statement as well as the committee report on the review of the budget. The first one I wanted to talk about is with respect to Arctic Canada Trading Corporation. Mr. Chairman, the Minister and the department are well aware of this issue. Last Christmas, some promotional documents were sent out to the government by this corporation to attract businesses and to sell the products they have at the corporation. As you are aware, Mr. Chairman, as far as I understand, this business was meant to be a wholesale outlet where it's supposed to work as a bridge or facilitator to provide services to local artisans in communities and to bring their products to market.

So this was of great concern to the retailers in the city and this was brought to the attention of the Minister and the department and the corporation. The indication we had at the time was that the corporation would revisit the policy under which this action was taken and also that a member from the retail community would be appointed to the board. In talking to the retailers not

too long ago, I learned that nothing has been done to this end thus far. I do believe we had a commitment from the Minister that he and the officials would express this to the board and it was supposed to be dealt with by the board at their next meeting. So the first question I have to the Minister is to ask the Minister to give me an update what he has done in this area thus far. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the NWT Development Corporation is the sole owner of the Arctic Canada Trading Company Limited. It was established in the early '90s and has been involved with businesses to acquire the different arts and crafts from the surrounding communities for resale. Last fall, a corporate sales policy was developed and approved by the board and sent to me and I agreed with it. The policy allowed the Arctic Trading Company Limited to engage in corporate sales within the NWT as well as to GNWT departments. In the fall of 2002, a brochure went out that offered corporate discounts off retail for orders made in November. This practice was negatively received by four Yellowknife retailers and numerous meetings and letters passed between the retailers and the corporation without any final resolution. I just want to say that the campaign we put on didn't result in any sales at all. Nobody really took it up. We've invited the retailers to be a member of the NWT arts and crafts, to sit on the board of the corporation. To date, no one has come forward to accept this offer, so we are still at that stage. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I just heard the Minister going over what I said at the beginning and I lost the last part of what he was saying. Can I get clarification from the Minister as to whether the board has reviewed this policy and made a decision on it and, if so, what was it?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: The sales policy of the corporation has not been amended to preclude corporate sales and we are considering only sticking to wholesale products at this point in time. The board hasn't made that decision as this point in time. We've offered the retailers a seat on the board of the Arctic Canada Trading Company Limited. We've conceded in a lot different areas, including having them listed on our Web site and mainly a seat on the board but no one has come forward to accept that offer yet. We are hoping they will take us up on that. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Ms. Lee.

MS. LEE: Well, my information is that perhaps the communication has not been done at an optimum level because the people that I was talking to, who ought to be in the know, were not aware of this offer or what to do about filling this offer. I wonder if the Minister and the officials could be the link and make sure this communication between the board of the ACTC, the board of the corporation and the retailers that are concerned...if the department could function as a facilitator, making sure this communication gets from one side to the other. I also have a question. I want to know how this policy came about, where this corporation is allowed to engage in retail sales in a market like Yellowknife, targeting the

government employees or departments. Does that not contravene any other government policies or government philosophy, or the principle about not using public funds to interfere in and disrupt the private market? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Antoine.

HON. JIM ANTOINE: Thank you. I just want to clarify that Arctic Trading Company Limited does not do retail sales, they're not competing against retail outlets. By retail, meaning that they sell one item at a time, like the stores do. We don't do that, the corporation doesn't do that. They are engaging in wholesale. They buy the baskets and different arts and crafts from people in the smaller communities, who do not have any other way of selling the product to market. This is the only company that goes to the communities and buys the baskets and the arts and crafts from the local producers and we have those in stock. The four retailers in Yellowknife have, in the past, bought different items from the corporation on a wholesale basis and were reselling it under retail prices in their stores. What we attempted to do here is that, because we had so many items in storage, we offered corporate sales. That is to say the different companies or even the GNWT departments or the MLAs, whoever wanted to could buy a number of different items that the Arctic Canada Trading Company has in their warehouses, on a massive sale on the lower price. That is a policy that has changed. So we are not competing with the retailers on that basis. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Ms. Lee.

MS. LEE: Thank you. Mr. Chairman, it's regrettable that we have to revisit this whole thing here because I thought we'd made some progress in convincing the Minister and the department that what the corporation was engaged in last Christmas was a retail activity. I mean, even if they didn't attract any buyers, flyers went out to give discounted prices on arts and crafts to government staff. That is a retail sale, faxes going to every government office saying we're offering this special deal, buy them. The Minister had previously indicated that they were trying to provide bulk or volume sales to businesses or corporations who wanted to buy local arts or NWT community arts or crafts in a big volume so that they could get security of supply and buy them in the way that they wanted to. Well, okay, that's still a retail sale.

I think this corporation has to be clear about what they want to do and why they exist. I agree with the Minister that the role for the corporation to play is to be a bridge between local artisans and businesses, and the businesses in town will tell you that their problem is only not having enough art to sell. That corporation could do a lot more to facilitate and supply them with the stuff so they could sell them. So, I think, going by the Minister's answers, with all due respect, there's some confusion about exactly what this corporation is supposed to do. There seems to be a bit of a reluctance to reflect on what they are doing and how it is not in line with what the government should be doing and what the public funds should be going towards. I need to ask the Minister to clarify again exactly what is the mandate he has given to this corporation in terms of what they can and cannot do in retail selling. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the role of the NWT Development Corporation is just

that, a development corporation. There are people in the small communities who want to make a dollar or two, and they do that through making baskets, let's say in Fort Laird, out of birch bark or making moccasins, or different arts and crafts in their communities.

Here in this Legislative Assembly, MLAs in the past have asked what are you doing to develop this. We have created an NWT arts and crafts strategy that addresses this sort of issue. This strategy is coming out very shortly, we just haven't done released it yet. That sort of thing will be addressed at that level. What I have done is sent a directive to the Arctic Canada Trading Company Limited. The company wanted a board of directors comprised of individual businesspeople throughout the North, including people from Yellowknife. They said that this is the direction that they would like to go and they asked for this sort of authority and I gave it. They wanted to do a test to see if a wholesale approach would work, but that hasn't been picked up on. If the member is asking me to rescind this corporate directive, then I should hear that.

On the other hand, you've got to realize that the Development Corporation is to help the businesses in the Northwest Territories, including the smaller communities where people are making these products. They are making a lot of it and we're the only one that sells it. The retailers, not only from Yellowknife but from other communities, have an opportunity to buy these things on a wholesale basis from a development corporation so they could resell it at retail prices. So what we are trying to do is look at the bigger picture in the Northwest Territories and buy products made in the communities, and make them available for retailers to sell on the market.

If there is a problem with the corporate sales policy, then I should hear it. We are trying to do a couple of things that seem kind of "retail". They're business people, they want to make a dollar, and we have no problem with that but, at the same time, as a corporation, we have all these products on hand and we are trying to find ways of selling them so there's a cash flow so with what we sell we can buy more in the smaller communities. So you have to look at that side as well. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Mr. McLeod.

MR. MICHAEL MCLEOD: Thank you, Mr. Chair. Mr. Chair, I certainly appreciate the Minister's comments regarding the arts and crafts and the sales. It's an issue that has been growing and actually becoming a real problem, because we're starting to see the arts and crafts producers in the communities on the decline. A lot of the younger people are no longer out there making the moose hair tuftings and the moccasins. It's mostly as a result of not having an outlet. We have three craft shops in the community of Fort Providence, and there are some in Hay River and some here, and they're just not able to move them fast enough so it drives the cost down. I think this department has a large role to play when it comes to assisting the arts and crafts producers. We should actually be monitoring it.

I don't know if we have any baseline studies. It's difficult for me to suggest that the government should do another study, but I have a real concern here, Mr. Chairman, that there's a decline. We don't really know what we had 10 years ago. We don't know the sales amounts and we don't know what's happening in this area. Certain government initiatives, we have to be very

mindful, are going to affect it further. The harmonization with the income support and housing is going to play another role that's going to have a devastating effect on it, and we should be able to keep track of that. So I'm hoping and I encourage the department to continue to play a role there and look for some options.

I also wanted to raise the issue of wildlife studies. I see in the Minister's opening remarks that the department will embark on a couple of surveys. In my riding, there were a couple of issues that I want to highlight, and that's our moose population has been on the decline for a number of years. I'm not sure if the moose survey that was done on two-year intervals is still continuing to be done. I don't think the money has been there for the last while. I think it's something that all of us in my riding are very concerned about. The population has been actually crashing. It's very difficult to go out and get a moose anymore, and you have to go further and further. There are hardly any areas where the moose population is growing.

I asked the question before and I never did get an answer regarding the other study that I'm hoping to see picked up. That's regarding the mink study. The environmental assessment on some of the mink that was done many years ago, showed that the mink population around Fort Providence - - Axe Point area -- had high concentrations of PCB. We never did get that second assessment. We were informed by the department that it might have been a problem with the study itself. They had to have people go back in and redo the study. I don't believe that has ever been done, and I think that has to be picked up.

The other issue I wanted to raise and ask the Minister a question on is regarding the new Business Development Investment Corporation. The announcement was out that we have a new person heading it up -- Mr. Fred Koe -- however, we're not sure where that new agency or organization or new Business Development Investment Corporation is going to be housed. Is that going to be in Yellowknife again, or is that going to be in Inuvik, or is that going to be in Hay River? I'm assuming we're going to see it in one of those three places. We, as a small non-tax-based community, have pushed to devolve some of the resources into the communities, and we'll never have a healthy economy in our communities if we can't devolve any of the government projects and programs and departments into the smaller communities. I know, Mr. Chairman, you have been raising the issue about maybe Fort Rae would be a good place; maybe Fort Providence or Fort McPherson or Fort Simpson. I think there has to be consideration and open discussion, and not just direct, behind-the-scenes negotiations and then surprise, surprise, we find out where it's going without the rest of us having any input.

I also wanted to raise that this department should be looking at some type of oil and gas monitoring agency. There have been some studies done, especially in the Cameron Hills where there was a fairly intensive document put together that covered a lot of different concerns and different problems. I think we need to continue that. I know the diamond sector had a diamond monitoring agency. I don't see why we can't create another one. I am continually frustrated by the fact that this government throws up their hands and says we can't do anything when it comes to oil and gas. Well, maybe we can't, and maybe that's not within our jurisdiction. But at least we can document and track and monitor this stuff. There are

continually concerns brought to my attention from my riding, and I don't believe we're doing enough.

I'm also concerned to see that in the budget there is no renewal of dollars for industry assistance or for funding of the Northern Accord. It's something that maybe we've lost sight of. I know for years that we've been funding those initiatives, and all of a sudden it's dropped right off the radar screen and I don't know what is there to replace it.

I also wanted to mention that I haven't been getting a very favourable response to my inquiries for a freight subsidy for the Kakisa fishermen. I know this government is certainly not willing to share any of the dollars that they've committed to the Hay River Great Slave Lake fishermen, and it should be. We need to haul our fish out of Kakisa. It's a fairly long drive. It's a lot further than any other community has to travel, and that's the same with Tahtlina Lake. That's something we should be looking at helping them out with. We want to help that community stay as a viable community. There is not a lot of other employment in that community, and commercial fishing has been the biggest job creator in that area since the 1950s.

I'm also hoping that we're going to see a continuation of bison control or surveillance flights in and around the Mackenzie Bison Sanctuary of the Mackenzie bison herd. I didn't see the dollars there. But disease and those types of things we have to continue to watch. We have to really be concerned that the Mackenzie herd doesn't cross the river, and we've seen that happen on a number of occasions, and I think mixed up with the herd around the Wood Buffalo Park or Hook Lake.

That leads me to another question. Where are we going with the Hook Lake herd? What are our plans? Are we going to release them, and where are we going to release them if we are going to release them, and when?

One final point I wanted to make, Mr. Chairman, is I want to encourage that this department continue to play a role when it comes to interim resource management. We have a number of communities that are utilizing those funds to deal with the resource pressures. If you really take a good look at their budgets, this is the only funding that they have. A lot of the band councils depend on it, a lot of the Metis councils depend on it, and the hamlet councils have to utilize that funding to participate in any meetings or research or expertise that they may require. So it's a real important pot of dollars and I certainly don't want to see it go by the wayside. I think I've asked a number of questions, Mr. Chairman, and I'll just stop there. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, I indicated in my opening statement that there was an arts and crafts strategy. We had a number of people from the North sit in on it and come out with a package that they are going to be releasing very shortly. In there, the government, through RWED and the Development Corporation, will continue to be involved in developing and trying to enhance this important sector of our economy in the North.

As for the number of different areas that the member touched on, I will try to remember them. I have brief notes here. We have a large role to play in monitoring. He's encouraging the

department to participate in the oil and gas monitoring and so forth, and we're continuing to do that.

The wildlife studies; there are a number of studies that are going on. He asked about the moose population decline and the study on the mink, the high level of PCBs in there. We're going to be doing a number of surveys and studies this year. In the Mackenzie Bison Sanctuary, there's a study going to be done on the moose management. We're looking into the caribou habitat in the Cameron Hills as well, because of the high activity that's going on there. Basically that's in the member's riding. In the Deh Cho we've hired a biologist for the region, and that would probably help in the studies that the member is concerned about.

With regard to the new Business Development Investment Corporation, Cabinet has agreed to the amalgamation. There is a legislative proposal that is being developed. Fred Koe has been assigned to put the amalgamation together and develop the legislative proposal, and look at all the different options that are there. As for the location of it, what we prefer do at this point in time is to develop a legislative proposal, and we're hoping to have legislation introduced in June to look at the amalgamation of the Business Credit Corporation and the Development Corporation and different parts of RWED's business development fund. Community Futures is also included. After the legislation, then that's when we would consider where this entity is going to go. There is talk of keeping it in Yellowknife, or moving it to Fort Smith or Hay River, but that decision will be made at that point in time.

Oil and gas monitoring agency, we're working with Indian and Northern Affairs, perhaps something in the line of the C.S. Lord arrangement that we have, something of that model to look at an oil and gas monitoring agency. Not an oil and gas monitoring agency, but a concept of monitoring oil and gas as the development goes ahead.

Freight subsidy with Kakisa, we're planning to go into Kakisa this spring to talk about this whole initiative, and we'll be able to come out with some satisfactory arrangements we hope with that.

As for the Hook Lake bison, we have an item in our budget that we'll continue to fund it this year. The herd is growing. I think the community is also concerned about it. The original plan was that we'll have a healthy herd developed and release it someplace, hopefully back into Hook Lake, but there are other buffalo there now. So we're working with the federal government to see what they're going to do about diseased buffalo. We're anxious for some resolution to this issue but, in the meantime, we're in a holding pattern of continuing to fund this project in Fort Resolution.

As for the interim resource management agreement, or IRMA, we're agreed with the federal government to cost share it for another year. I think I've covered all this. I may have missed one or two, but I don't think so.

With the whole issue of the Northern Accord or the IGF, it's the responsibility of Aboriginal Affairs. RWED may play a role in it in terms of advising and taking direction. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I wasn't planning on spending a lot of time on the Arctic Canada Trading Corporation issue, because I have a number of other issues that I want to address with the Minister under general comments. But the answers that the Minister is giving are creating a need for me to keep on pursuing this.

First of all, I take offence to any inference here that any members care more about what's going on in small communities than other places. I have stated on many occasions when I have talked about this issue either in the committee, with the Minister or with retailers, for that matter. I believe that there is a need for the government to play a role in terms of being a supplier of arts and crafts that are being created in the communities. I believe that that is a role that a company like this corporation has to play. I would say that it's a role that this government has not been fulfilling very well, and I don't know the detailed reasons of that. I could tell you that in my visits to local arts and crafts stores, they'll tell you they're dying for supplies. They're able and willing to sell more. They have lots to sell. They have aurora visitors in their stores, and if they could have security of supply of 100 of this and 1000 of that, they could sell that. They don't believe that the government or this corporation is doing enough to address that.

So I think that I'll be the one who would agree with the Minister, that that is a role that this corporation has to play. Instead, the Minister is somehow suggesting that I have my eyes blindfolded and I can't see the good work that this corporation is doing. I'm saying I agree with you, but it's not being done enough. Instead what this corporation is doing is getting into the retail market in a place like Yellowknife. They could do it where the retail marketers are not as prosperous or not as numerous as Yellowknife. For a corporation that's funded by the government with a very specific mandate to help local artisans to be faxing a promotional flyer at Christmastime saying at 15 percent discount you could get these goods, and to say that that's not retailing... I don't know who's being fooled here. Anybody with Economics 101 could understand that's retailing and that's interfering with the market, and that is not a role for this corporation to play. I thought that we addressed this issue and that the Minister had agreed with the problem. The last commitment that I thought I had was that this would be conveyed to the board, and that they would look at this issue and come back to it.

First of all, I needed to make that clear. I've said over and over again, Fort McPherson Canvas Shop or any other communities; any artist there who knows how to create products and needs help to get their products to the market like Yellowknife or to the South or anywhere, the government has to step in and do it. That's the role of this corporation. Their role is not to interfere with companies and retail businesses that are operating in Yellowknife. They should be there to help these people and those businesses get those products that are being produced. So I have to ask the Minister again why is it that this policy cannot be visited and revisited and amended if necessary to make it clear that the role of this corporation is to be the bridge between the artisans who make those artifacts and the businesses that sell them? It is not their business to engage in retail selling. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the NWT Development Corporation has board

members that we appoint, and they take their time from their own schedules to sit on these different boards for us. They look at the business side of running the Arctic Canada Trading Company Limited, and they also make their own resolutions and decisions. So as the Minister, I have left the decision-making up to them; I don't interfere. I think they've made some very good decisions. I think they've turned the whole NWT Development Corporation around in the last two years. The Arctic Canada Trading Company Limited, as well, was in a lot of jeopardy. They've turned it around in the last couple of years. They are now very viable. They've done really good work, so I'd like to commend them.

One small decision is, instead of doing only wholesale, to see if they could venture into corporate sales. They did a one-time shot in November last year of a little flyer that caused me all this concern. Through the board, they've worked with the retailers in Yellowknife and tried to see if they can come to agreement, and there were a number of concessions made. The last attempt was that the corporation requested, in writing, that a member of the NWT arts and crafts retailing community sit on the board of the ACTC. At this point, no one has come forward. So if no one is going to come forward, we thought a member of the NWT arts and crafts retailing community could sit on the board. Then they could look at the policies and maybe improve on them so they could become compatible with the arts and crafts community here in Yellowknife. That was our attempt. We hope that somebody picks up on this and comes forward, and we're prepared to do that. That's the approach that we've taken.

I respect the comments of the member. My words were not to imply or suggest anything. I'll just tell her my view is that there's no confusion on our part; there's clear direction. The board has done a lot of good work and has turned this company, this corporation, around in the last two years, and I commend them for that. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. There have been at least a couple of correspondences, that I'm aware of, from the board on this matter. I would suggest that it's not that much more difficult for the board or the Minister to draft another letter to the retailers, stating that they're looking for a member to sit on this board. It seems to me, from what I hear out there and what I'm hearing here, there's definitely a communication breakdown. I don't think it's asking a lot for somebody to pick up a pen and write a letter saying this is what we've done, and we're looking for a spot to fill and is anybody interested in engaging in it. Rather than the Minister coming here and saying we've asked for it and nobody is coming forward and there's nothing I can do about that. So I think there's enough said there.

I want to use the rest of my time here to ask another question with respect to the work of this corporation. It's in regard to a marketing contract that this corporation has to market goods coming out of the NWT. I understand that the corporation has contracts to distribute and sell fur products to southern markets. I would like to know if the Minister could indicate what contracts the corporation has signed on behalf of the government, and with whom, to market fur products in and out of the NWT. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you. The NWT Development Corporation is no longer involved in fur garments. They've sold what they had and they're out of that business at the present time.

Just to backtrack; before that decision, they had an arrangement with a furrier from Dallas, Texas, to represent them. But at this point in time, the decision has been made that they're no longer involved in that. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Since the Minister has brought up this particular dealer, I understand that there was a contract signed where this person or this business -- if that is a person, it's the same person and I have no way of knowing at the moment -- but whatever the deal that this person or some party that the corporation has signed a contract with, apparently it was a sole distributorship contract where only the party that signed that contract was allowed to market and distribute furs from the Northwest Territories. I want to confirm with the Minister whether there was a contract like that. If we don't have that contract any more, did we have to pay a penalty to get out of that contract?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Yes, Mr. Chairman, there was a contract something similar to what the member has indicated. There was a contract with a furrier called Morris Kaye and Sons. They had a contract to be the sole distributor. That contract is no longer in place, and I understand that there was no penalty that we had to pay. Thank you.

CHAIRMAN (Mr. Delorey): Thank you. Ms. Lee. The Chair will recognize Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I'd like to look at some of the smaller parts of this department, at least in terms of its relationship to our economy. The oil and gas and minerals side is enormous. Our economy is unfolding or pivoting on those resources. For the time being, though, they are, from a regulatory and a developmental point of view, largely out of our hands.

But what we do have almost absolute control of, Mr. Chairman, are the renewable kinds of resources and industries: tourism, forestry, furs, and fisheries, and arts and crafts, as we've just been debating. What we're reminded of once in a while, or we should be reminding ourselves once in a while, Mr. Chairman, is that unlike most other parts of Canada, the NWT does not have a federal investment program going for it to assist especially these aspects of our economy. They are especially important, Mr. Chairman, when you recognize that a diverse economy is a healthy one. I sometimes get a little concerned that so much of our economy and our values and things, the housing market and stuff that we see developing across the NWT is based on a surge in diamond and oil and gas activity. I'd really like to see more diversity. But we are handicapped, badly handicapped by the absence of this kind of agreement. I think the EDA kind of assistance programs with Ottawa that we're familiar with expired in 1996. So here we are almost seven years now without the advantage that something that the rest of Canada has had out there at their doorstep.

I guess that's enough of a preamble. I don't think I need to explain much more of where I'm going. I would like to ask the Minister what efforts does the department or the government foresee in the coming year that will help deliver something like a federal investment program for the NWT?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the economic development agreement type of arrangement with the federal government where we require additional dollars to help develop the North and develop our economy has always been a big concern to us. We've put forward a number of submissions to the different federal departments, most recently to the Minister of Industry, Alan Rock, who has indicated that he doesn't see any regions in the country being treated unfairly. But as we all know, we are in the North. So our task here, as a government, is to continue to try to impress the federal government that there is definitely a need to have federal dollars invested to help us develop our economy in the North. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden.

MR. BRADEN: Well, I wish Mr. Rock was here, because I'd really like to talk to him on this assumption; this terrible mistaken assumption he has that we're getting a fair deal along with the rest of Canada is very wrong. So what are we doing about it? I guess I would repeat my question, Mr. Chairman. What are we doing to bring this to Ottawa's attention? Where is, for instance, the Department of Northern Affairs, which likes to get in our way whenever we want to try to do something for ourselves but isn't out there with very much in the way of real help on this kind of thing. They've really let us down. What are we doing about it?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: We've done a number of different major exercises in the length of this government with the NRRDS, and the non-renewable resource development type of strategy, the transportation strategy, the highway strategy; that sort of initiative that we've put forward. We're told by different federal Cabinet Ministers that we put together a very compelling, very good, the best strategy, but no funds.

So now with this last round, with our Premier and the other two Premiers that have made an arrangement for additional health money from the Prime Minister, there is also an exercise of looking at the inequities to our funding. Perhaps there's an avenue there that we could plug into to see the type of additional dollars we need to develop the economy in the North, an economic development agreement of some sort. Perhaps there is an avenue there that we could pursue, and I think we should. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. So just to be clear, and I'm quite familiar with the NRRDS strategy, with the work that the private sector has also put into this, the Northern Business Coalition; a tremendous show of collaboration, Mr. Chairman, by this government and by the private sector. But what I'd like to confirm, is there on a table anywhere in Ottawa a live proposal that we're pursuing. Is there anything active right now?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Yes, there is a northern economic development strategy. I understand that we've worked with the other two territories and put it forward in Ottawa. I understand that one Cabinet committee had approved it, and another committee didn't agree with the funding. So there is always work being done in Ottawa. We're not just complaining about it, we are actually doing the work and seeing if there's a way with continuing this sustained kind of approach and pressure in Ottawa. With the Business Coalition and with our Members of Parliament, hopefully, and through this most recent agreement I mentioned earlier with the Prime Minister of looking at the way we get funding, the inequities, we may have opportunity there. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden.

MR. BRADEN: Mr. Chairman, I'm wondering if one of our problems in this area, as I think we've seen in other efforts to get Ottawa on side, is that we really don't have the ability to focus on any given department or Minister, because of the relationship that we have with Northern Affairs. It almost seems to be a constant trail for play-off in Ottawa. We go down to see one department and they say well, you have to go and get Bob Nault to come with you and hold your hand. Then we go to Bob Nault and he says well, we're going to have to go over to this department and get that Minister and see what he says. So it's pretty easy, perhaps, to get shunted off to the sidelines. From the Minister's point of view, is that one of our real handicaps? Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you. We have a major problem in Ottawa. I've been down there personally a number of times in my role as Minister and supporting the Premier and the Finance Minister in trying to talk to key Ministers, including the Finance Minister, Energy Minister and DIAND. We get the run around of DIAND being the Minister responsible for the whole North, everything including economic development, the resource development and human resource development. If you go to Ottawa, like the member says, we get shuffled around. We're also told that we should be seeking these funds from existing resources, which as you know are very tight up here. Yes, it is the case. It's very frustrating. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. General comments. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I'd like to make some comments on the Minister's opening remarks, in some areas more than others. As I mentioned in my reply to the budget as well, I talked about the lack of even a mention in the budget about agriculture in the Northwest Territories. I do have quite a number of questions that I want to ask on agriculture. But before I get into that area -- and that might not be until tomorrow, Mr. Chairman -- I wanted to just bring up the waste recovery and reduction act the department is planning on introducing. I would like to know, Mr. Chairman, where they are with this recovery act. I know they are planning on introducing this in June. Is there a pretty good assurance that that will come in in June? One thing I had brought up to the department some time ago is the fact that Hay River is involved in a recovery program with a waste recovery outfit from the South, Hazco. I had suggested that the department talk to the town of Hay River officials to see if there were any things they could

combine efforts in to promote and tie in the waste reduction and recovery in the Territories along with the project they have going on there. I was wondering if the Minister could tell me if his department has done any consultation with Hay River, and if it's pretty certain that this legislation will come through in June. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, on the waste recovery act, we are finalizing drafting instructions prior to development of legislation. That is the stage we are at. We asked for the suggestion from the MLA to have a consultation with the Town of Hay River. I don't recall anything like that on my side, unless it's gone to the department. I understand the region was instructed to work with the town. I am not too sure at this point whether the regional staff had discussions with the town of Hay River with regard to the waste reduction program they have there. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I would encourage the department to do that and check if anything has been done in that area and maybe follow up on that. I wanted to touch base on tourism which the Minister talked about in his opening comments, whereby \$900,000 will be going to Arctic Tourism next year to leverage a total of \$1.8 million for marketing through CTC and others. Could I get a little bit more expansion on that, how this money is being leveraged and is it being borrowed? What kind of liability does it create? Who is responsible for this money? Could I get more clarification on that? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: I would like to defer that to Deputy minister Bob McLeod, please.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. The \$900,000 last year was provided at the start of the fiscal year to NWT Arctic Tourism and those funds are used to cost-share with specific programs and projects that are delivered in partnership with the Canadian Tourism Commission. So there are a number of projects involved on the marketing side and that's accounted for on an annual basis. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I guess if he explained how this \$1.8 million works in here, it talks about the \$900,000 to be used to leverage up to \$1.8 million. Is that all money that Arctic Tourism is spending, the \$1.8 million and who are they leveraging this money through?

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. The \$900,000 that we provide to NWT Arctic Tourism through a contribution agreement is, in turn, used to lever an additional \$900,000 from the different programs that the Canadian Tourism Commission delivers. That's how you come up with the \$1.8 million. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Okay. I take it then that the extra \$900,000 isn't borrowed, it's simply used to cost-share. There is no borrowing going on here. Is that correct?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. McLeod.

MR. BOB MCLEOD: That's correct.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I wanted to touch also on forestry. In here it talks about forested lands in the NWT being primarily publicly owned and the GNWT has the authority to issue a number of different licences and permits, including timber cutting licences under forest legislation. When is the last time the department issued timber cutting licences in the Territories for commercial purposes?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Three years ago.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Where in the Territories, on how much timber area in the NWT does the department right now have the ability to issue cutting permits for commercial ventures? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. I think the question was where can timber permitting licences be given out in the NWT. The answer to that is throughout the NWT, but there are a number of different approvals required. There are different interim measures agreements that are out there that have forestry provisions. There is also the matter of going through the Mackenzie Valley Resource Management Act that also has to issue land use permits. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I would like to get clarification on a line in here. It says, "The establishment of commercial timber operations can be carried out in areas where detailed forest inventories have not yet been completed." Could I get some clarification on that?

CHAIRMAN (Mr. Lafferty): Thank you. Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. I think where that came from is when we attempted to allow an operator to operate in the Pine Point area. There was concern expressed by the Mackenzie Valley Environmental Impact Review Board that the only way timber operations should be allowed to proceed is if there are detailed inventory details that were developed. I guess, if you take it to its broadest extent that would mean unless we completed 100 percent of all the timber inventories in the NWT, we couldn't allow any timber harvesting. In our view, we can make a fairly quantifiable estimate of the amount of timber that's available in an area by doing things like timber cruising, satellite photography and growth and yield surveys so we don't necessarily have to have a full-blown detailed forest inventory to proceed. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I would like to echo some of the comments Ms. Lee made with respect to Arctic Canada Trading Company Limited. I know that the retailers just before Christmas were quite concerned about the approach and I think that it would be really quite useful to push the issue of having a retailer on the board just to try to make sure that retailer concerns are brought to the board level and that they are kept in mind when decisions of this sort are being made. The Minister said that Arctic Canada Trading Company Limited was not making sales at retail. Is it not true that the public may purchase items at retail on an individual basis through the Web site? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Yes, apparently the trading company has a Web site and they've advertised and adjusted prices on their Web site to reflect full retail pricing. Yes, they have done that. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. So, although the Minister said earlier the company was not selling individual items at retail to the public, they are, in fact, through their Web site. I know that the retailers had suggested that it would be fairly easy to adapt the Web page, so that if somebody who was looking to purchase something there, if they entered their postal code, for instance, the Web page could redirect them to northern retail suppliers and indicate that in the NWT, the public was expected to deal through retail suppliers. I know this is fairly common practice. It happens on Web pages all the time that people are redirected to someone else. Again, this was something that had been suggested by the retailers. Can the Minister advise us whether or not he will instruct the corporation to take a look at that approach?

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the ACTCL has written letters to the NWT arts and craft retailers throughout the North and are asking if they would like to link to the Web site. According to the information I have, there have been about eight positive responses to date. All the different retailers would like to link to the Web site, specifically the suggestion of the postal code to direct the different interested buyer to an appropriate retailer. We've done that and would do that with the diamonds as well, so we would have no problem doing that. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I appreciate the Minister's commitment to do that. I know the retailers were quite anxious to see that sort of approach.

In this Minister's opening comments, he talks about the energy strategy and how they are hoping to table an energy strategy in June. I know that right now, there is a discussion paper that is out and I just wanted to tell the Minister that I am somewhat concerned that, if this is the document we are using to try to develop an energy strategy, I see some significant flaws. I would be very concerned if we were going to be developing an energy strategy based on this. I will give you an example, Mr. Chairman, of what I speak of. I am going to read this verbatim:

"Consultation question number two, energy efficiency..." and this is from the Towards an Energy Strategy discussion paper, "Is there general acceptance that residential commercial energy users have a responsibility to manage their energy use to both reduce their costs and reduce their impact on the environment? Should energy efficiency improvements be achieved by restricting consumer practices (e.g., energy codes) or through incentive programs?" Mr. Chairman, I would characterize that as wordy jargon. It doesn't really ask any meaningful questions. It's very difficult to understand and I don't know how the department can expect to get reasonable answers from it. Let's break it down. One of the questions is, is there a general acceptance that residential and commercial energy users have a responsibility to manage their energy use to -- and pick one of the endings -- reduce their impact on the environment? Well, of course, we all think we should try to do things to impact less on the environment, but there is no discussion about what that might cost. There is no real setting out of what the options are here. What happens if we do this and what happens if we do that? I know there is an intent here to try to keep the discussion paper brief, but some of the questions that are being posed, it's just impossible to really get anything out of them.

Taken on their face, I think the answers are predetermined when you ask this question. It's motherhood and apple pie, but it doesn't get into what are the costs, what are the tradeoffs, what do we trade if we choose one over the other? I have some problems with that. Further on, we get into the energy supply options, consultation question number three. The end of the question is, "or are energy consumers prepared to pay a premium." Mr. Chairman, I am prepared to pay a premium, but it may not be the same premium that the Minister is prepared to pay or that you are prepared to pay or that my constituents can afford to pay.

We need to know what we are talking about here -- what sort of premium -- and we are not getting to that level of discussion here. We don't say to the people who are reading this, if you are prepared to pay one cent a kilowatt hour more, we can do this. We can reduce our oil use in the NWT by this amount and we can get closer to achieving the goal set by the Kyoto Protocol. If you are prepared to pay five cents a kilowatt hour more, here is what we can achieve or if you are prepared to take some other approach, but you are not going to get anything meaningful out of this unless you get to that level of detail. You don't get something the government can take to the bank and say this is what the public wants, unless we get into that level of detail.

The next question we ask is should we privatize the Power Corporation? Well, there is no detailed discussion in this paper about why we might want to privatize it or not privatize it. People are basically left to make a decision depending on their personal philosophies. Some people believe that government shouldn't own corporations. They are going to come back and say privatize. Others feel that essential public services should be maintained by Crown corporations. They will say don't privatize, but there is no discussion as to why one should be considered or why another should be considered. It's not set out for people to respond properly to.

The other thing that's missing in this whole thing is a lot of the recommendations that the government got in the Robertson report. For instance, where is the discussion about franchises? That could have a significant impact over whether or not we

should have a public utility or a private utility. I am really troubled. I want to be clear. I do think the Government of the Northwest Territories should have an energy strategy. I have said that for years, but I am troubled that we are saying we are going to be tabling one in June based on what we get back from this discussion paper. I don't think this discussion paper will lead to the level of detail that I hope to see in an energy strategy, that I will be able to hold up to my constituents and say this is a real good guideline, something we can be proud of. That really concerns me, that we are going to come up with something that is, as another member who used to sit on this side of the House used to say, "good blue-chip information." It doesn't seem to be heading that way and I am really concerned about it. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the energy strategy that we would like to see, at the present time, the people involved in the energy secretariat are into the communities. I understand they've gone to most of the communities already. They have about nine communities to go. They are trying to hit every community. They are towards the end of their community tour. The questions that are posed there hopefully are there to generate discussions and views. In the briefing meeting I had with them, a lot of very substantial concerns are coming out in the communities that they have been to. Our intent, the plan of action, is to be concluded with the community consultations towards the end of this month. We would like to develop a draft energy strategy from this consultation. We would like to have another short round of community consultations with this draft energy strategy in April and May and come out with a substantial type of detailed information and discussion that the member was just mentioning. We are still aiming to have an energy strategy through this exercise by next June. This whole exercise was kicked off in June 2001, it has a life of two years and our plan is to try to hit that June mark to have an energy strategy. The first year-and-a-half of intensive consultation that went on, there is a working group in place now that is taking what's been coming out to date since June 2001 with this last round of consultation and developing a draft strategy as we speak. There's a deputy minister committee that is guiding the direction on this strategy and we hear the concerns that are coming out. I am also very concerned as well and we are trying to do the best to come out with an energy strategy by June. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): General comments. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Mr. Chairman, I wanted to explore a little bit more some of the renewable sectors of our economy with a particular focus, Mr. Chairman, on the tourism industry. Mr. Delorey has gotten into that area to some degree already. I guess what I would like to do is compare some of these sectors with the investment this government makes compared to the revenues and the outcomes that we get. Mr. Chairman, from looking at information such as the Statistics Quarterly, by this government, on economic and social activity in the NWT, by checking with the tourism industry and looking at other sources, there is no shortage of data available on what goes into these industries on the point of view of human resources and investment and then what comes out.

Rather than go through a whole bunch of statistics here, I will give you some rough math and I will qualify this, Mr. Chairman,

this is rough math but I think my proportions are about right. Within the forest industry -- and this is forestry management, not firefighting control from what I can gather from the books here -- for every dollar that we gain in actual revenue, we spend \$16. In the fur industry, for every dollar that we gain in retail sales, we spend \$3. In the tourism industry, for every dollar in revenue that we gain, this government invests five cents. There is an extraordinary balance here, Mr. Chairman, in terms of dollars invested and outcome, if you will. Again, I wanted to qualify the understanding that I have and I am sure, that to a large extent, my colleagues will share this with me, that there are other requirements and advantages and benefits to investing in the forestry and fur industry and they are not and perhaps should not be linked to real outcome.

Mr. Chairman, what I wanted to illustrate here is the tourism industry for the investment that we put in, pales in comparison to what we get out of it. The investment we are putting into tourism hasn't changed in three years. I know the industry appreciates the investment we are putting into it, but we are just not giving this industry, which really is producing dollars, an estimated \$40 million in pleasure and leisure visitations alone, that's not business and other traffic, and \$40 million a year creates the equivalent of 825 full-time equivalent jobs and we are investing \$1.8 million. So, Mr. Chairman, what I would like to get the Minister to talk about is the investment; the position that this department has in terms of investing in these industries and putting dollars where there are real returns as opposed to those industries where we are really lagging. What is the philosophy? What is the approach? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. In terms of tourism, tourism is a growing industry. Within the last few years, we've put additional dollars in. This is the third year we have put in substantial dollars. About four years ago, there was very little, so the number would have been very low. We are continuing to invest and put more money into tourism and hopefully that whole industry will grow compared to forestry and furs. I am glad the Member said his rough estimate because there's another factor to forestry and furs that is not listed, but it's the whole area of country food. By protecting the forest, we are protecting the animals and wildlife that is there. People depend on hunting and going after food and out on the land. As well, trapping is a way of life. If they go on a trapline and there is a set of moose tracks or a herd of caribou, then they also get food like that. There is an aspect of the whole forestry and furs that are not in the statistics because we estimated the whole country food value to be between \$30 million and \$35 million throughout the North. So if you replace it by going to get store bought food, that's a cost to people who depend on this way of life. That is the philosophy behind it. Even though the numbers are not in statistics, it is a valuable part of the daily traditional diet, as well as people acquire the taste to go after caribou and moose and so forth.

Yes, tourism is a big factor. We would like to see it grow as well. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. The Minister makes a really good point about the value of forests to so many aspects of life up here. The forest and the land really define to a great extent who we are and what we are. So I want to underscore that. If I could make a point though, to do a little bit of sparring here, Mr. Chairman, there is an additional almost \$27 million in the forest area devoted to forest fire protection and the money I was looking at is just in forest management. So we are already putting a lot of money into protecting the forest that was not part of my calculation, but I don't want to get into a statistical sparring match.

In the tourism industry, we are on the verge of something, yet another surge, another big build-up in tourism volumes, at least in this region of the NWT, and I am looking at two things that are going to happen. In a couple of years, the old Yellowknife highway, Highway No. 3, that piece of road that we have come to love and hate, is going to be totally rebuilt and paved. That 50-kilometre barrier to an enormous stream of rubber tire traffic is going to be opened up. In the space of four years, we are going to have the Mackenzie River bridge, if all goes well. Again, another barrier removed to road traffic coming into not only Yellowknife and the North Slave, but there will be spin-offs to communities in the South Slave as well. I wanted to ask in the tourism industry whether the department has been looking at these two developments in our transportation system and the impact they are going to have on the region and on the South Mackenzie as a whole and looked at that in terms of any strategies or investments or new marketing opportunities? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Braden. Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. In the long-range planning of the Department of Resources, Wildlife and Economic Development, and looking at the potential for tourism, there is a view here that there are going to be changes to the way we do tourism. We are all hoping to have more tourists so we have more tourist dollars coming into our economy. It's slowly growing and it's going to get more so like the member said. We, as a department, will also try to convince our colleagues to try to argue that we need additional dollars. We are fighting for a piece of the pie here and the pie is only so big and there are so many competing priorities out there that we need to state our cases strongly and compelling to get the necessary funding through our processes internally to get ready for it. We see it happening and we know it's going to happen. We also know that we don't have the resources currently in our budget to get ready for it. Hopefully, as things evolve and with the funds that we pour into new tourism, hopefully they will strategize as well, the money for their own strategy and marketing. We will work with them and hopefully come up with the plan prior to the increases and the amount of tourism that comes into our area. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. The Chair will recognize Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, I have another point I want to make or question I want to ask the Minister and it's with regard to the contaminated site at Giant Mine. Mr. Chairman, I do appreciate that there is a major discussion project going on headed by the federal government looking at the options of cleaning the ground contamination. I do believe the Minister is aware that the responsibility for

cleaning the surface contamination lies with the department. The information I have is there is money being made available by the city government and DIAND to make progress in that area. I don't know if the Minister could verify this, but the department is showing reluctance in getting into this area to clean the sites up and contribute towards that area until there is a comprehensive agreement with the federal government. Could I get the Minister to verify whether that's the case and explain why the Minister is taking that road?

CHAIRMAN (Mr. Delorey): Thank you. Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, with regard to the Giant Mine surface cleanup, we want to work with DIAND to come to an agreement on governmental responsibilities as they relate to the surface cleanup at Giant Mine. We have been in discussions with the federal government to discuss the responsibilities for the cleanup on the surface and it largely remains unresolved at this point in time. There were repeated efforts by our government to engage DIAND and to see who is responsible. DIAND is insistent that the formal process be established before negotiations proceed. DIAND has not provided any input on any acceptable negotiating process. So we have advised DIAND that our willingness to continue cost-sharing surface cleanup is going to be dependent upon the progress being made on the issue of responsibilities. We heard in this House from members that we need to clear up who is responsible for the surface cleanup before we proceed, so we are following those directions. Thank you.

CHAIRMAN (Mr. Delorey): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. So I guess the answer is that we are not participating in that area. I understand that it's desirable to have an agreement on a formal process in place, but I also know that some extent of surface cleanup is the responsibility of the territorial government and I wonder if it's a wise move on the part of the government to take that tactic. While you are working on an agreement, the work still has to be done and if there is money available and the federal government is making money available for cleanup in the interim, as well as the city government, I would suggest that it would be wiser for the government to take that money and do what we can to clean it up while negotiations are going on. Why such a hard line on this issue, Mr. Chairman, especially when we know that the GNWT is responsible for part of the surface cleanup? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. I just want to reiterate to the member that that's what we are doing and we got Cabinet direction to not spend any more money on the Giant Mine surface cleanup until we are clear about who is responsible for what. Our officials tabled a draft process outline with DIAND in October of 2002. There were several attempts to engage federal officials and they were insistent that a formal process be agreed upon, but DIAND has neither provided input on our draft outline nor provided an alternative outline for our consideration. So I guess it's Cabinet direction that I am following at this point in time to negotiate before we spend any more money. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you. Ms. Lee.

MS. LEE: May I ask the Minister how much money we are lapsing while we are having this discord with the federal government?

CHAIRMAN (Mr. Delorey): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. We are not lapsing any money because we have no money identified for this. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Then are we to assume that there will be no cleaning up of any contaminated sites on the Giant Mine surface happening until such time as this agreement is concluded?

CHAIRMAN (Mr. Delorey): Thank you. Minister Antoine.

HON. JIM ANTOINE: Well, I think for us, the ball is in DIAND's court. We put a draft process outline before DIAND in October and they haven't responded. I think the direction from Cabinet was that we need to work out who is responsible for the surface cleanup before we spend any more money. So your question is if DIAND responds tomorrow to our outline and agrees to work out who is responsible, then we are going to have some money through probably a supp and that will be our contribution to the surface cleanup. Thank you.

CHAIRMAN (Mr. Delorey): Thank you. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Given the level of contamination at the site at Giant Mine, I would be concerned if this goes on for a long time. I would like to see that we do what we can to work with any contribution from the city or DIAND to clean up the sites as the negotiations proceed. I would like the Minister to revisit that issue.

I would like to spend my remaining time making a comment about the environmental review process for the third potential diamond mine, the De Beers project at Snap Lake, and the issues surrounding that. Mr. Chairman, many times when this issue gets brought up, we are told over and over again that the GNWT does not have a direct role to play in the environmental review process. But the information I am getting is maybe it's true that we don't have a strong and formal direct role to play, but it seems to me with what little power we have, we are doing a lot to make it more difficult for the process to advance. Mr. Chairman, members here are told a lot of the time about the level of information and questions that this government asks for the mine to provide, which sometimes is repetitive and sometimes is more extensive than it needs to be. I would like to know if the government has a stated position on what its objective is or goal. Is there a stated position from the government on what role it wants to play in the environmental review process?

CHAIRMAN (Mr. Delorey): Thank you. Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, the environmental impact review board that we are talking about here is a process that we... As RWED, our responsibility in the process is to coordinate the government's response to the application and we are not responsible for individual departments asking questions through the process. There is a process in place and depending on the proponent's package and level of information that is in there and the way

they prepare their documents and if there are questions in there that need to be asked, then these questions are asked. Our responsibility at the table, as RWED, is to look at the environment and make sure the environment is protected. Thank you.

CHAIRMAN (Mr. Delorey): Thank you. The Chair will recognize Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, the past couple of years I have asked the Minister on a number of occasions about lobbying the federal government with regard to the 10 percent excise tax on diamonds. It's been reported in the National Press that in the lead-up to the federal budget, there was some discussion at the federal government level about eliminating that tax. I would like to know if the Minister could advise us what he did in order to try to keep that on the table. It didn't make it into the final budget, by the way. So the tax is still there, although there might have been some discussion about eliminating it. Could the Minister tell us what role he played in trying to encourage the federal government to eliminate that tax as the budget was being developed? What role did his department play?

CHAIRMAN (Mr. Delorey): Thank you. Mr. Antoine.

HON. JIM ANTOINE: Yes, Mr. Chairman. The member has been very persistent on the excise tax over the years. The department and previous Ministers, have always pursued this issue with the federal Minister of Finance. In the last few months, we've written a letter to Finance Minister Manley and he responded favourably. He was prepared to look at this and he's instructed his department to take a very close look at that whole exercise. I have raised it with the Finance Minister on one occasion when we met. I have lobbied the different federal Ministers that are very concerned and interested in diamond issues. So I think we made a bit of headway in the response from Minister Manley. It is positive in the sense that it is the first time a Finance Minister is saying he's instructing his department to look at it. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. What was the timing of this letter? Was the Minister or his department aware that this was a subject of serious discussion in the budget preparation and that it was apparently only three days before the budget was finalized that it was finally eliminated from the federal budget? There was a heavy lobby put on by the jewellery industry. Was the Minister involved in those last days that the budget was being prepared?

CHAIRMAN (Mr. Delorey): Thank you. Minister Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. We weren't involved in the last stages of budget development. Our last correspondence to the Finance Minister was October 3rd, in a letter outlining our concerns. The letter written by Manley indicates that the reduction or elimination of the excise tax on jewellery would have to be examined in the context of overall fiscal priorities of the federal government. So I think that was a way where we were involved. We weren't very involved in a substantial way, but I think it had an impact. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I guess I am disappointed to hear the diamonds division of RWED didn't appear to know that it was very close to being a done deal in the federal budget and that we weren't involved. Perhaps if we had been in there the last few days, we might have had success in getting this thing dealt with. At this time, Mr. Chairman, that was the only issue I had to bring up. I guess we will never know whether or not we could have been successful on this one. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. I didn't hear any questions there. Did you have any comments, Mr. Antoine?

HON. JIM ANTOINE: Yes. We worked with the Minister of Finance on this and perhaps we should have known that this was an issue and might have been there and lobbied, but we weren't there. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. The Chair will recognize Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I have a number of questions based on the Minister's opening remarks. Since diamonds are fresh on his mind, I will start there. Mr. Chairman, I understand for the secondary diamond industry to get off the ground it needs to get agreement from the industries that mine the diamonds. The NWT agreed that the diamonds selected to be cut in the NWT have to be cut in the NWT, not recognizing the cost factor in cutting the smaller, less expensive stones. To my understanding, that's an agreement this government has made. Is there a time frame associated with that agreement if that agreement is a fact? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Antoine.

HON. JIM ANTOINE: Thank you, Mr. Chairman. Mr. Chairman, it's a policy framework of this government. In the early days of BHP through the different arrangements that we made, the government of the day developed this framework policy to try to develop a secondary diamond industry in the North. Instead of having all the rough diamonds go to Europe and out of our hands, we developed a policy and now BHP Billiton have agreed, through an MOU, to supply 10 percent of the diamonds from their mine to manufacturers here in the North. Diavik also has signed an MOU on that and we are working on De Beers. They have also agreed to do that as well. In this framework agreement, there is a requirement for the northern manufacturers to cut and polish the diamonds here in the NWT. That is the arrangement. As for the length of it, we have no time frame on that.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Chairman, is the policy framework of the government contingent on the MOU with suppliers of the rough diamonds? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you. Mr. Antoine.

HON. JIM ANTOINE: The MOU has to be consistent with the policy framework. Yes, thank you.

CHAIRMAN (Mr. Delorey): Thank you. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. Mr. Chairman, the way diamonds are bought, it's my understanding that you get a supply and you agree to take it, you don't negotiate what diamonds you get. I have been told by manufacturers that between 30 and 50 percent of the diamonds are unfeasible to cut in the NWT because of the size and quality of the diamonds as it relates to the cost of doing business in the NWT. Have any of the cutting and polishing facilities approached this government on that restrictive policy? Some of them are saying it's probably cheaper to take these diamonds and throw them away than to cut them, thus it will yield a minus on the bottom line. Have any issues of that nature been brought to the department? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you. Mr. Antoine.

HON. JIM ANTOINE: Yes, Mr. Chairman. This concern has been raised to the department and to me by the different manufacturers in the NWT, and there are a number of suggestions that were made. One was, according to our criteria, that manufacturers might manufacture 100 percent of the GNWT rough that they purchase in the NWT from the beginning. They have to cut and polish it all in the North. There is one solution and that is if the producers could provide them with a supply of bigger diamonds. But, as you said, they get a selection of diamonds and some of them are big and some of them are very small. I understand that being involved in diamonds for a number of years as a government, we realize that the industry is such that the small diamonds world-wide are cut in India, China and Sierra Leone and in places where they have very cheap labour. Our operations here, we are told, are comparable to operations in New York and there are concerns raised by the manufacturers that it's not feasible to cut the very small diamonds. So we prefer that if they have the opportunity, that they take the smaller ones to where they can cut it in a feasible way. That's been raised to us. We are dealing with the framework policy of this government. It's a policy and we have been discussing internally how we can accommodate the manufacturers in looking at this problem. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. Mr. Nitah.

MR. NITAH: Thank you, Mr. Chairman. I think it's very important to have a real good look at this and see if we can adjust the policy to allow the cutting and polishing facilities, those people who buy these diamonds, to send them overseas and get them cut and bring them back and make money on sales tax. As a government, we are spending a lot of dollars supporting these businesses and if our own policies are going to be hindering their success, then we better tackle that very soon. I do have one question though. For a community or region that has entered negotiations with these companies and has negotiated access to rough, what does the policy say in terms of communities selling the rough to cutting and polishing facilities that require more diamonds, without the said community having to get into the cutting and polishing business, per se? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Nitah. Mr. Minister, you have less than one minute to answer.

HON. JIM ANTOINE: The one-minute answer is that yes, according to our policy there's a 10 percent rough that the producers have to provide to manufacturers in the North if they

so choose to sell to the communities, and it's within that framework policy.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Antoine. The Chair will recognize the clock and rise and report progress. Thank you, Mr. Minister, and your witnesses, for appearing.

DEPUTY SPEAKER: Can I have the report of Committee of the Whole, Mr. Delorey?

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

CHAIRMAN (Mr. Delorey): Mr. Speaker, your committee has been considering Bill 3, Appropriation Act, 2003-2004 and Committee Report 4-14(6), and would like to report progress. Mr. Speaker, I move that the report of Committee of the Whole be concurred with.

DEPUTY SPEAKER: Do I have a seconder for that? Mr. Ootes seconds the motion.

AN HON. MEMBER: Question.

DEPUTY SPEAKER: All those in favour? All those opposed? The motion is carried.

---Carried

Item 21, third reading of bills. Mr. Clerk, item 22, orders of the day.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, a meeting of the Standing Committee on Accountability and Oversight at 9:00 a.m. tomorrow morning and again at 10:30 a.m., and of the Standing Committee on Governance and Economic Development at 12:00 noon.

Orders of the day for Wednesday, March 5, 2003:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of bills
13. Tabling of Documents
14. Notices of Motion

15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
 - Bill 9, Youth Justice Statutes Amendment Act
 - Bill 10, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 2, An Act to Amend the Territorial Parks Act
 - Bill 3, Appropriation Act, 2003-2004
 - Committee Report 3-14(6), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2003-2004 Main Estimates
 - Committee Report 4-14(6), Standing Committee on Governance and Economic Development Report on the Review of the Draft 2003-2004 Main Estimates
 - Committee Report 5-14(6), Standing Committee on Social Programs Report on the Review of the Draft 2003-2004 Main Estimates
 - Committee Report 6-14(6), Report on the Review of the Access to Information and Protection of Privacy Commissioner's 2001-2002 Annual Report
 - Committee Report 8-14(6), Report on the Review of the "Report of the Auditor General to the NWT Legislative Assembly for 2000 and 2001"
 - Committee Report 9-14(6), "One Land, Many Voices": The Final Report of the Special Committee on the Review of the Official Languages Act
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

DEPUTY SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:30 p.m., Wednesday, March 5, 2003.

---ADJOURNMENT

The House adjourned at 6:00 p.m.