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The Honourable Tony Whitford, Speaker

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, JUNE 26, 2000

MEMBERS PRESENT

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

ITEM 1: PRAYER

-- Prayer

SPEAKER (Hon. Tony Whitford): Thank you, Mr. Roland. Please be seated. Bonjour. Good afternoon, colleagues. Item 2, Ministers' statements. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 7-14(3): Economic Strategy Panel

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, later today I will be tabling Common Ground, the final report of the Economic Strategy Panel. Members may recall that the panel was appointed last June by then Minister responsible for Resources, Wildlife and Economic Development, Stephen Kakfwi, to develop an economic strategy for the Northwest Territories. It was a complex undertaking and I commend the 17 members of the panel on their effort.

The panel represented a cross section of northern organizations with an interest in economic development. The panel's report mirrors this broad interest base and includes not just industry and sector associations' concerns, but those of aboriginal governments, as well as communities and organizations dealing with environmental and social issues.

Panel members put a considerable amount of time and effort into producing this report. Without the dedication and commitment of both themselves and the organizations they represent, we would not have such a comprehensive document to guide our efforts in building a strong and vibrant northern economy. This government intends to continue the cooperative approach taken by the panel in developing solutions to problems facing economic growth in the Northwest Territories.

Mr. Speaker, I am pleased to share this document with Members and the public. I look forward to hearing their impressions and comments on the recommendations contained in the report.

The panel's report provides a comprehensive approach to economic priorities and actions needed to guide our economic development efforts.

The work of the panel is already paying dividends for this government. An early draft of Common Ground enabled this government to begin work on a draft non-renewable resource development strategy to gain the interest of the federal government to invest in the North.

The Common Ground report, along with additional input from the public, will form the basis of a GNWT Economic Action Plan for those recommendations directed to the Government of the Northwest Territories.

Mr. Speaker, it is my intention to table the GNWT Economic Action Plan during the next sitting of the Legislative Assembly this fall.

I will also reconvene the Economic Strategy Panel in one year's time to review progress made on implementing the recommendations contained in the report.

We hope to emulate the panel's success by continuing to work in partnership with aboriginal governments, industry and other Northerners for input and direction on future economic development initiatives; for example, the Tourism Strategy.

Mr. Speaker, I would like to invite you and other Members to join me, panel co-chair Richard Nerysoo and Darrell Bealieu, and panel members in the Great Hall at the break for the official signing of Common Ground and a press conference.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. Item 2, Ministers' statements. The honourable Minister responsible for Youth, Mr. Allen.

Minister's Statement 8-14(3): Youth Activities in the Northwest Territories

HON. ROGER ALLEN: Thank you, Mr. Speaker. Mr. Speaker, over the past couple of months I have had the privilege to meet and talk to a number of our youth across the Northwest Territories.

In May, I had the opportunity to formally recognize four youth at a formal dinner jointly hosted by the Native Women's Youth Association, the NWT Council of Friendship Centres and the GNWT. This special event was held here in the Great Hall in conjunction with International Youth Week. The youth who were recognized this year include Jennifer Duncan from Colville Lake, Steven Raddi from Inuvik, Chelsea Simpson from Hay River, and Lisa Turner from Yellowknife. These four individuals all have displayed strong leadership and have served as excellent role models for the youth of the Northwest Territories. It is dedicated young people like these who will help move the North towards a better tomorrow.

On May 31, 2000, I was pleased to be invited as the keynote speaker for the official opening of the 2000 NWT Track and Field Championships in Hay River. This was an excellent opportunity to pass on our message to over 1000 youth from across the North. An event such as this provides an excellent

opportunity for youth of all ages to share their experiences with their peers from other parts of the North and also allows them to raise the level of their own self-esteem and confidence in their abilities.

I accepted an invitation from Samuel Hearne Secondary School in my hometown of Inuvik, to give a keynote address to the 2000 graduating class. I also traveled to Fort Resolution along with Steven Nitah, the MLA for Tu Nedhe, and spoke to the Deninoo School graduating class. Both of these special events provided an excellent opportunity for me to congratulate these students and to provide encouragement to continue their lifelong journey and inform them that the future holds so much potential for all youth and new graduates of today.

On May 29, 2000, the Students Against Drinking and Driving group provided an update to the Minister responsible for Transportation and his officials and myself. Information was provided on the organization's fundraising efforts and to also provide an update on the planning for the Canadian Youth Against Impaired Driving Conference, which will be held in Yellowknife in March 2001. The students provided a very impressive presentation and demonstrated their enthusiasm and commitment to this event. I was very pleased to see these youth contributing to bring awareness to this serious problem, not only within the NWT, but also at the national level.

Next weekend, the Lutselk'e Dene Band will be hosting an Akaitcho Territory Youth Camp. This youth conference's primary purpose is to bring youth from the Akaitcho Territory together to discuss common concerns and share ideas on how community and regional organizations could better support youth to maintain healthy communities. This youth conference will be conducted in an environment which allows for traditional activities, as well as a sharing of wisdom from respected elders from the Akaitcho Territory.

Over the summer, I plan to attend a youth conference in Hay River, and I am looking forward to hearing the views of our youth in the Northwest Territories. As leaders, we must remind ourselves the important role that youth play in assisting us in designing the future of the Northwest Territories. Youth are our future. As a responsible government, we have to ensure that we continue to provide opportunities to our young people of the Northwest Territories. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Allen. Item 2, Ministers' statements. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Minister's Statement 9-14(3): Dogrib Treaty 11 Council Advertising Campaign

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, on Friday, June 23rd and today, the Dogrib Treaty 11 Council placed full page ads in the Yellowknife and in NewsNorth newspapers. I want to preface my remarks by saying that it is not a policy or practice of the GNWT to conduct negotiations through the media, and we stand by this position. I will, however, take this opportunity to set the record straight and correct factual errors in these ads and related news stories.

Negotiations at the Dogrib table are not at a standstill. They are ongoing and on track. All three chief negotiators agreed in May to the current schedule of negotiating sessions. The next

negotiating session is planned for the first week of October and a chief negotiators' meeting is scheduled for late August.

Mr. Speaker, our chief negotiator, Patrick Scott, resigned for personal and private reasons and I respect that. He chose to make his resignation effective in August, at the time of the natural summer break, thus providing the least disruption to the negotiating process and allowing the negotiating table to maintain its momentum. Mr. Scott's replacement will be in place in time for the scheduled chief negotiators' meeting in August.

I understand the desire of the Dogrib Treaty 11 Council to conclude a final agreement as soon as possible. I also understand that the three parties agreed to leave some of the most difficult issues and much of the practical detail to be negotiated between the agreement-in-principle and the final agreement.

Mr. Speaker, some of these harder issues are fundamental to the future relationship between the GNWT and the Dogrib First Nation Government. The Intergovernmental Services Agreement is one of the vehicles that will be used to build a strong partnership between us. Since the signing of the AIP in January, there has been progress in designing an effective delivery system for health, education, and social services to all residents in the four Dogrib communities that protects the Dogrib language and culture.

Taxation is another issue of great importance to the Dogrib. Given the nature of taxation jurisdiction in Canada, the GNWT wished to understand the federal position on this matter before reviewing our negotiating mandate. The GNWT and the Dogrib waited a year for Canada to table its position. This information was made available late last week, and the GNWT will be in a position to respond in a matter of days.

Mr. Speaker, the financing of self-government is another difficult issue that must be negotiated. The GNWT has taken the lead in providing very detailed costing information for the Dogrib table. I remain confident that resolution on these and other matters will be achieved.

The Dogrib chief negotiator has charged that our negotiator relies too much on Cabinet direction. The GNWT and Cabinet are committed to negotiating self-government agreements that can be successfully implemented. We provide negotiating mandates for our negotiators, and when an issue arises at a table that goes beyond their mandate, they return to Cabinet for further direction. This clearly demonstrates this government's commitment to public accountability and determination to find practical arrangements to implement aboriginal peoples inherent right of self-government. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Antoine. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement on Activities at Range Lake North School

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, this afternoon, I would like to take this opportunity to recognize and

celebrate a jewel at the centre of my riding, Range Lake North School.

Mr. Speaker, you may have noticed there are three classes from Range Lake North School visiting us today. Mr. Speaker, I must say one of the sweetest words I heard as a Member-elect was to be introduced as "Our MLA, Sandy Lee" in one of my visits to the school. I am very pleased we are able to have some of them with us.

In the last few months, Mr. Speaker, I have had a number of occasions to visit Range Lake North School. As you might have noticed in your many visits, Mr. Speaker, when one goes into the school, one is struck by a feeling of openness and interactivity, not only due to the design of the building, but the atmosphere created by the teachers, staff and students.

One of my visits to the school was to shadow a grade 3 class, known as 3M, Mr. Speaker. It was amazing to watch how some people out there start their day with 200 to 300 kids hanging on their arms, telling the teachers about what they had done the night before. It was a very different way to start the day than from how I start, which is usually in silence and reflection for the day.

Mr. Speaker, I also watched a grade 3 math class for 45 minutes, where they learned to do their arithmetic without lifting a finger. It was all done through the games and interaction between students. It was amazing to see.

I also saw grade 3 students writing a book on how to write a book. They had a book on how to develop a character, a story. They had built a rainforest within the class. It was an amazing learning environment that I saw.

Mr. Speaker, I also had the occasion to visit their family fun night in April. There were 300 to 400 parents and teachers, and all sorts of activities filled the building that would give the local Raven Mad Days a run for its money. I thought that it was a hidden treasure that the rest of us were not aware of.

Mr. Speaker, in June, I had the pleasure of attending their junior choir to hear Pachelbel's Canon being played by a string quartet. It was quite wonderful. They also did a musical...

MR. SPEAKER: Thank you, Ms. Lee. The time allowed for your Member's statement has expired.

MS. LEE: Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER: The Member is seeking unanimous consent to conclude her statement. Are there any nays? There are no nays. Ms. Lee, you may conclude your statement.

MS. LEE: Thank you, Mr. Speaker. I just want to add that one of the things that they did was a musical production on the theme of how we are all different, and that is what makes the world interesting and fun to live in. The professionalism and the talent of that musical would give a Broadway producer a run for his money as well. Mr. Speaker, it is an extreme pleasure for me to have the classes from Range Lake North School visiting us today. I hope they enjoy what they see. I think it is quite appropriate that they are here, as we are going to be releasing a very important document later in the day. Mr. Speaker, I would like to congratulate Mr. MacDonald, the principal of the school, and their able staff, as well as the Parents Advisory

Group, headed by a very able Mrs. Linda Corkum. I would like to welcome all of the children here in the gallery and out there. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Ms. Lee. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

Member's Statement on Government Programs For Children and Families

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my statement surrounds the question of children in care in public facilities. Mr. Speaker, many families have been torn apart because children have been taken away from their homes for all kinds of reasons and put into foster care and group homes. They then end up in young offenders' facilities, and eventually in public institutions, such as jails.

Mr. Speaker, this government must do more to realize that a family is a unit. At times, families have problems. We have to take more time, effort, and resources to assist families with their problems, especially families who find themselves on income support, who do not have the ability to assist in developing their families because of the lifestyle and conditions in which they live, mainly because of unemployment and a low economy.

Mr. Speaker, more has to be done with how this government deals with children. I have suggested looking at a youth advisory council in the Northwest Territories. We find many of our children today in institutions, in the streets, or in trouble with the law. Yet, Mr. Speaker, there seems to be no resources to help them out.

I think it is important for children who are living in foster care, group homes or young offenders' facilities to have the resources, help, and the ability to work out their differences with their families. As a government, we should have learned from our past experiences, especially with the hostels, where children were taken from their families for five to ten years. They had no connection with their parents and they lost their culture.

Mr. Speaker, this government has to do more to assist families when they need us. Mr. Speaker, I will be asking the Minister responsible for Health and Social Services questions on this matter. Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. Item 3, Members' statements. The Member for Yellowknife South, Mr. Bell.

Member's Statement on Student Financial Assistance

MR. BELL: Thank you, Mr. Speaker. Today, I would like to talk about some concerns that have been raised with me by my constituents about the new student financial assistance rules and how they are affected by them.

On Friday, I tabled a letter from a constituent of mine. I will not read it into the record, but I would like to paraphrase from that letter so that you can see what I am talking about.

"Mr. Bell, I am one of your constituents, and I would like to bring to your attention how the student financial assistance rules affect me.

This spring I completed the third year of a five year degree at a southern Alberta university and I intend to finish my degree and begin teaching in the Northwest Territories once I have completed my education.

I was schooled in the Northwest Territories from grades 2 through 12 inclusive, a total of 11 years. Under the old system, I was entitled to two semesters of grants for every three years I was schooled in the Territories. I obtained six semesters of grants, which was my limit. Under the new system, I would be entitled to 11 semesters of grants, one semester for every year of schooling in the Northwest Territories.

To my dismay, I found out that only students who are entering post-secondary studies for the first time qualify under the new system. I believe this to be a gross injustice to myself. Had I wasted away my last few years and just entered University this fall, I would be entitled to 11 semesters of grants, five more than I was entitled to under the old system.

Instead, I was a responsible person for the past few years, but I am unable to qualify for the grants under the new system. I understand that one has to draw the line somewhere, but surely to not include continuing students in the new system of grant entitlement does not appear just.

I hope you will review my case with the Minister responsible for Education and or bring up this injustice with the House, as obviously other continuing students are affected as I am."

Yes, indeed, Mr. Speaker, other students are affected in this manner. When we look up in the House today and see all of these bright young faces, we know that our government is looking after them and will take care of them as they go to post-secondary education, but what about their older brothers and sisters? Have we thought about them?

Mr. Speaker, as I go through the Northwest Territories' new Student Financial Assistance Manual, I realize that if I had just completed my fourth year of education, there is nothing left for me as far as grants. I cannot continue on. If I have only completed two years, I have three left. This simply is not fair, Mr. Speaker.

To this government, my constituents say "Let us not punish current students for their success". Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Bell. Item 3, Members' statements. The honourable Member for Thebacha, Mr. Miltenberger.

Member's Statement on Student Financial Assistance

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to follow up on my colleague, Mr. Bell's comments

regarding student financial assistance. I have met, along with my colleagues, with students from the Student Association for the Northwest Territories. I have also received calls and concerns from many constituents.

The government is to be commended for making long overdue changes to student financial assistance, but a very clear area of concern is the interpretation of the legislation, the regulations and the policies put into place. Mr. Bell has touched on some of them. There are also some other very simple issues that I believe the Minister could, through his own direction, remedy, just by giving direction to do so.

Issues relating to direct deposit, the ability to choose a travel agent, and the very intimidating nature of the manual put out. It is over 100 pages long, and even my esteemed learned colleague, the former Minister responsible for Education, said he would be confused trying to apply for student financial assistance.

Mr. Speaker, the students are not asking for much. These are process issues, things that could be done administratively to try to alleviate some of these concerns. It is also possible, in my opinion, Mr. Speaker, that by decentralizing some of these authorities down to the career centres in the regions, the students would be better served in the regions and communities they are closest to.

It is very difficult to be dealing with impersonal fourth floor operations out of the Lahm Ridge Tower when you are from Fort Smith, Norman Wells, Sachs Harbour, or wherever you may be from. You could probably get a better level of service from the region you live in.

Mr. Speaker, the government has clearly made a commitment across the board to decentralize to the communities and to the regions. This is one program that, for some reason, they seem intent on hanging on to at the headquarters level. I believe there are simple, effective and efficient ways to deal with some of the students' concerns.

Like my colleague, Mr. Bell, I hope the Minister responsible for Education, when we come to his budget, will be willing to listen and make the necessary changes that he has the full power and authority to do. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 3, Members' statements. The Member for Deh Cho, Mr. McLeod.

Member's Statement on Challenges Facing the Deh Cho Tourism Industry

MR. MCLEOD: Thank you, Mr. Speaker. I would like to highlight the challenges facing the tourism industry in the Deh Cho riding. I believe that the challenges facing tourism in our riding are shared in large part by the tourism industry in all of the western Arctic.

Mr. Speaker, the Northwest Territories is the only jurisdiction in Canada, besides Nunavut, that does not have either a separate Ministry dedicated to tourism or a major tourism organization that reports directly to a Minister. Mr. Speaker, visitation rates for tourists visiting the NWT are growing at a far lesser rate than these other jurisdictions.

Mr. Speaker, the reorganization of the government-sponsored regional tourism marketing agencies in the mid-1990's into one central sector-oriented agency, NWT Arctic Tourism, has not proven itself to be a success. NWT Arctic Tourism, by focussing on sector-based tourism marketing, has lost a certain degree of regional focus. Mr. Speaker, there is certainly no sense of ownership within our region to NWT Arctic Tourism.

Indeed there is an increasing sentiment that we should return to the regionally focussed tourism marketing agencies we used to have. It is essential that this government start to provide meaningful resources to regional tourism agencies, thereby allowing groups such as Big River Tourism Association to resume the valuable work they used to do.

Resumption of funding to the regional tourism agencies does not mean that this government needs to scrap NWT Arctic Tourism. I believe that the efforts of the regional tourism agencies could be complementary in nature, leaving NWT Arctic Tourism to focus on pan-territorial marketing while the regional organizations pursue regional initiatives.

Mr. Speaker, tourism is our second largest industry. Yet, Mr. Speaker, the NWT spends \$1.2 million on marketing initiatives, while other territories spend many times that amount. For example, the Yukon spends \$2.5 million.

Tourism provides many spin-off jobs in the service sector and has the potential to create valuable highly paid careers for our youth on a year-round basis. It is critical that this government nurtures tourism in our communities and devotes meaningful resources to its development. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. McLeod. Item 3, Members' statements. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Member's Statement on Delays in Constructing Inuvik Capital Projects

MR. ROLAND: Thank you, Mr. Speaker. Today, I rise to speak of concerns of my community on the capital plan of this government. I have worked positively, I believe, in my first term as a Member, and I try to do the same in the second term as a Member of the 14th Assembly. To date, on the capital side of the program, we have heard of the bad news in that the Aurora Campus project is being delayed in Inuvik. Another large impact to the community is the Inuvik Regional Hospital, and it is being changed from a P3 project to a traditional project.

I have asked the Finance Minister, as well as the Minister responsible for Health and Social Services, to keep me up to date on this. I have had verbal commitments that this will not be put back any further. To date, I have not received any further information. It has been over a month since the news was out that the project has changed status. It seems that no one in the region is aware of where things are going.

I am trying to take the high road here and work positively, and hopefully have a positive outcome. Until I hear some positive news coming back from my Cabinet colleagues, I am going to have to take a more critical view as to what has been going on.

I have not been told of any other changes with the project. I have been told that it is on time, or that it will not be delayed

too significantly, but that is a concern, especially when we look at our budget situation.

Mr. Speaker, I am aware that ever since 1988, this government has transferred \$1 million per year for that project. I am also aware that over the next four years, there is another \$16 million coming to this government for that project. Mr. Speaker, that alone covers over two-thirds, almost three-quarters of the project.

I would like to know, and I will be asking questions of the Finance Minister as to what is being done to move this project along. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. The honourable Member for North Slave, Mr. Lafferty.

Member's Statement on Support for Families of Medical Patients

MR. LAFFERTY: Thank you, Mr. Speaker. As many of you might know, I was absent from the House on Friday. I was en route to Edmonton. I was transporting relatives who wished to visit and to support a sick family member.

Because there is a lack of medical services for patients who need special medical care in the North, the health care board will pay the travel costs of some family members who wish to be near a relative in a southern hospital.

In my region, where many people are part of a large, extended family, separating the patient from his or her family is very hard. As well, it is very costly for relatives to visit.

I realize there is a serious shortage of doctors here in the North, and that Health and Social Services and the health boards are dealing with a health care system that is stretched to the limit. I seriously wonder why there are not facilities within our larger communities which can provide service to territorial patients.

There must be a more effective method of health care that allows patients to be nearer than 1000 miles from the support and care of their family members.

Family support is a part of health care and is an important aspect of the recovery process. At the appropriate time, I will have questions on this matter. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Lafferty. Item 3, Members' statements. The honourable Member for Frame Lake, Mr. Dent.

Member's Statement on Student Financial Assistance

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I too would like to speak on a topic that was referenced by Mr. Bell and Mr. Miltenberger, student financial assistance. When we were reviewing the budgets and business plans, we met with the Minister earlier this year during the interim, and talked about the transition to the new plan. At the time, the Minister told us the department would grandfather students who were in the system. We thought this meant we would be looking after

students who need grandfathering and students who needed transition.

Mr. Speaker, I have just consulted Webster's Ninth Collegiate Dictionary. In there, it says a grandfather clause is "a clause creating an exemption based on circumstances previously existing." I understand this to mean, Mr. Speaker, that no one should be penalized when new rules are brought in.

Mr. Speaker, I have met with a number of students in the past few weeks. One student told me how she went to the Department of Education, Culture and Employment last fall and was told she would qualify for four semesters of grants. Based on that, she went back to university this January. Four months later, she was told "Whoops! You no longer qualify for grants under the new program. You only have access to repayable loans."

Mr. Speaker, I do not think that is our understanding of grandfathering. Under grandfathering, I think our committee believes that somebody should have been allowed to carry on under the old rules if they were more beneficial to them. They should not be penalized by the institution of the new rules.

I would like to comment, as Mr. Miltenberger mentioned, on the manual for student financial assistance. I think it almost takes four years of university to understand that manual. I do not know how people from the smaller communities, who may not have access to all of the resources of the department, will be able to complete the student application.

I think that needs to be simplified, and that this department needs to take a look at transition. As Mr. Bell said, let us reward success. We want to encourage Northerners to come back here successfully. We should see a transition that allows students who have completed their four semesters to carry on and get two more years of school. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Dent. Item 3, Members' statements. The honourable Member for Yellowknife Centre, Mr. Ootes.

Member's Statement on Yellowknife Rotary Club's Kids Ahead Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, today I would like to recognize the very admirable and worthwhile work of the Yellowknife Rotary Club to make an impact on northern students at several schools here in Yellowknife.

Two years ago, the Rotarians initiated a program called Kids Ahead, and that is exactly what they are doing, helping kids to get ahead. It involves a snack program and a buddy reading system.

The Kids Ahead program is offered to approximately 70 grade 1 students in Weledeh and Mildred Hall School. These grade one students all get a healthy snack and a drink of either fruit juice or milk every morning at recess.

The Rotary Club of Yellowknife donates approximately \$20,000 a year to the program, and raises the money through the sale of roses around Thanksgiving of each year, a program which is fully supported by the florist companies in town. Money is also

raised at the annual rotary bike auction and the annual charity golf tournament, which will be held on August 11th.

The second part of the Kids Ahead program involves Rotarians and other volunteers who go into the schools to be a reading buddy, and sit and read with a grade 1 student for half an hour each week. It is recognized by the teachers that this is one-on-one reading is extremely beneficial to the students.

I would like to recognize Garth Wallbridge in the audience today, Mr. Speaker. He is one of the Rotary volunteers who is here with us. I join Mr. Wallbridge in urging everyone who has time and would like to read with a student for a half hour each week, to call any Rotarian and volunteer.

Finally, Mr. Speaker, I would like to thank the Yellowknife Rotary Club for the fine work they are doing and the tremendous contribution they are making to our young people. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Ootes. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Antoine.

Member's Statement on Treaty Day Celebrations and Band Council Election Results

HON. JIM ANTOINE: Mahsi, Mr. Speaker. Mr. Speaker, I want to speak about Treaty Celebration Days. This is the season for it. Earlier, in my constituency of Nahendeh, there were a number of celebrations that took place to coincide with National Aboriginal Day.

In the Nahendeh area, treaties were signed in 1921. Treaty celebrations have been going on since 1921, and this is the 79th Annual Treaty Celebration Days that took place in the Nahendeh area.

At the time treaties were signed, the federal government comes and gives five dollars a year to all of the Dene who were treaty. Along with that, there are provisions of nets and shells that, as a treaty payment in 1921, were for use of the land, I guess. That is something the Dene people have kept as a peace treaty agreement.

To coincide with these celebrations, there are usually elections. Today, I want to speak about the two elections that happened in the Nahendeh area. In Fort Liard, the chief, Harry Deneron, did not run again. We have a new chief in Fort Liard, Judy Kotchika. We have councillors Stanley Bertrand, Daniel Lomen, Steve Kotchika, Jim Duntra and Kimberly Deneron.

In the Liidt' Koe First Nations election in Fort Simpson, Chief Rita Cli was re-elected again, with council Gerry Antoine, Andy Norwegian, Keyna Norwegian, Ron Hardisty, Hazel Isiah, Kevin Menicoche, Ernest Cazon and Bert Tsetso. These are the chiefs and band councils of the two communities. I would like to congratulate all of them on their elections. They are in for two years. In the Deh Cho, as we know, it is a very busy place with the oil and gas, logging and so forth, so they will have a very busy time in the next two years. I wish them all the luck in the Liidt' Koe First Nation and the Akaitcho Dene First Nation. Mahsi.

-- Applause

MR. SPEAKER: Mahsi, Mr. Antoine. There is a lot happening in your riding. Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

Before I go to the floor, I would like to recognize a former colleague, Mr. Richard Nerysoo, who is a former MLA. He is a former Minister, Government Leader and Speaker. Now, he is the president of the Gwich'in Tribal Council. Please join me in welcoming Mr. Nerysoo to our gallery.

-- Applause

It is sort of like jewels in the crown, is it not?

-- Laughter

Item 5, recognition of visitors in the gallery. The honourable Member for Thebacha, Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, it gives me great pleasure to have this opportunity to recognize a constituent who happens to be a member of the Economic Strategy Panel, who just tabled their final report today, Mr. Jake Herron, the superintendent of MACA. He has a long, storied career with the government. He is a local Metis boy who has done very well, and he is a pretty fine golfer. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 5, recognition of visitors in the gallery. The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize four members of the Economic Strategy Panel that are with us here today. Richard Nerysoo, who represents the Gwich'in Development Council on the panel. Vi Beck, who represents the NWT Council for the Status of Women on the panel. Jake Herron, representing the Northwest Territories Metis Nation, and Alphonsine McNeely, representing the Native Women's Association of the Northwest Territories. Welcome.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. Item 5, recognition of visitors in the gallery. The honourable Member for Hay River North, Mr. Delorey.

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize a young lady in the gallery, my constituency assistant from Hay River, who has come over to try and help me sort out the masses of paper we are getting in the last few days, Debra Paulo.

-- Applause

MR. SPEAKER: Thank you, Mr. Delorey. Item 5, recognition of visitors in the gallery. Thank you, Members. Everyone is certainly welcome to the Assembly. Thank you for coming to participate with us. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

ITEM 6: ORAL QUESTIONS

Questions 49-14(3): Financing Construction of the Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as in my Member's statement, I would like to try to get more information from the Minister responsible for Finance or the Financial Management Board Secretariat, on the situation with the Inuvik Hospital. Initially, the hospital was designated as a P3 project, or a public-private partnership. It has been changed. I know the reins of control have shifted back to the department.

I would like to know what is happening with the financing of the hospital and the incoming dollars from the federal government. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. The Minister responsible for the Department of Finance, Mr. Handley.

Return to Question 49-14(3): Financing Construction of the Inuvik Regional Hospital

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I have spoken to the Member a few times about this project. I will say that on May 18th, we announced the project would not be proceeding as a P3 project because it was deemed to not have met the government's requirements.

Since that time, we continue to look at ways we can ensure this project stays on schedule. I can assure the Member we are open-minded to that. We do have limited resources. We have a limited capital budget. We have these projects, and it is important that they do proceed.

Right now, I can tell you we are open. At present, the schedule, if it continues to be a government/delivered program, would be that construction would begin in the summer of 2001, with occupancy happening in the summer or fall of 2003. I think this is within the parameters that were provided to us by the proponent putting forward the P3 project.

The federal money that is going toward this project continues to be available and dedicated to this project. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Mr. Roland.

Supplementary to Question 49-14(3): Financing Construction of the Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister state the total amount we have received, or will receive, from the federal government for this project? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 49-14(3): Financing Construction of the Inuvik Regional Hospital

HON. JOE HANDLEY: Mr. Speaker, I do not know the exact amount, but my understanding is there was \$16 million. However, there may have been another piece of money that is also to be added to that. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Mr. Roland.

Supplementary to Question 49-14(3): Financing Construction of the Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I believe the Minister refers to the new dollars that are coming into this government. What about the dollars since the agreement was signed back in 1988? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 49-14(3): Financing Construction of the Inuvik Regional Hospital

HON. JOE HANDLEY: Mr. Speaker, those dollars continue to be available. I do not know off hand the exact amount. If the Member would like, I can get the exact amount for him. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Item 6, oral questions, the honourable Member for Thebacha, Mr. Miltenberger.

Question 50-14(3): Student Financial Assistance Payment Options

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my questions are directed to the Minister responsible for Education, Culture and Employment and are in regard to student financial assistance.

Could the Minister indicate if or what latitudes students have, in terms of direct depositing the funds that they receive from student financial assistance? Are they limited to one or two institutions, or do they have the latitude to direct and ask that their money and funds be put into the financial institution of their choice?

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Return to Question 50-14(3): Student Financial Assistance Payment Options

HON. JAKE OOTES: Mr. Speaker, that is a detail that I am not familiar with, unless the Member is asking for direct deposit to their particular account. The department is moving on a system whereby students will be advanced funding on a monthly basis, and that will be deposited in their account on the first of every month.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Miltenberger.

Supplementary to Question 50-14(3): Student Financial Assistance Payment Options

MR. MILTENBERGER: Thank you, Mr. Speaker. It is good to hear that. I would just like some further clarification on that particular issue then. Are they going to be allowed to choose which financial institution the direct deposit will be made into, or are they forced to open accounts where they may not have a bank card just because the department intends to deal only with one or two banks? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Further Return to Question 50-14(3): Student Financial Assistance Payment Options

HON. JAKE OOTES: Thank you, Mr. Speaker. I do not have the answer to that question. I will have to take that part of the question as notice.

MR. SPEAKER: Thank you, Mr. Ootes. Oral questions, the honourable Member for Mackenzie Delta, Mr. Krutko.

Question 51-14(3): Addressing Youth and Families at Risk

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health and Social Services. It is regarding my Member's statement. I have concerns with how families are affected when children are taken away and put into foster care and group homes, and eventually find themselves in young offenders' facilities.

I feel we have to do more to find ways of working out these problems between the children, their parents and also the conditions that a lot of families and parents find themselves, especially in many of our small isolated communities, where there are no real economic opportunities. They find themselves having to depend on income support, and are not able to afford the luxuries for their family and their children.

I have some concerns with that. I mentioned the problems we have seen in institutions in the past, particularly the hospital systems and the education systems that we have seen over time. We had the hospital systems where children were taken away on barges and never returned home for five to ten years. We have seen the Grollier Hall fiasco...

MR. SPEAKER: Excuse me, Mr. Krutko. Can you lead towards a question please? Preamble has already gone a minute and a half.

MR. KRUTKO: I am getting there.

-- Laughter

Because of these experiences, I feel that we have to do more as a government so it does not happen.

I would like to ask the Minister, what is the department doing to reunite families that have been put into foster care or put into group homes, or are finding themselves in young offenders' facilities?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Return to Question 51-14(3): Addressing Youth and Families at Risk

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I want to assure the Member that the issue of children and family services is of very great importance to this government. We believe we have taken proactive measures, as a department, to address the issue of children who are at

risk and do require to be put into care, either permanently or on a temporary basis.

As Members will remember from previous Sessions, we have taken the step of going out to the Child Welfare League of Canada to have a review done of the protocols and processes we have in place in the North for dealing with children who are at risk. We will be tabling that report here shortly. I am sure the Members will be very pleased at some of the recommendations. I will be looking for their support as we, as a government, try to find ways to re-profile and allocate more funds to the care of children. Certainly, I could not agree more that this is a major issue.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Krutko.

Supplementary to Question 51-14(3): Addressing Youth and Families at Risk

MR. KRUTKO: Thank you, Mr. Speaker. I know a lot of parents have problems. What resources are there to assist parents to help them regain their children?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 51-14(3): Addressing Youth and Families at Risk

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, there are resources available in communities surrounding community wellness, for counselling and services available to parents for parenting, to improve their parenting skills. Also, in many cases, parents are involved with a plan of care for their child while they are out of the home. They make commitments for what they might undertake to improve the situation, to enhance and expedite the return of their child to their care.

These initiatives are well known to the people who are on the frontline working in this field. Certainly, wherever possible, parents are encouraged to participate and assist in solving the problems which led to the removal of the child from harm in the first place. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Krutko.

Supplementary to Question 51-14(3): Addressing Youth and Families at Risk

MR. KRUTKO: Thank you, Mr. Speaker. Another area I feel is critical is in the cultural background of a lot of these children. I would like to ask the Minister, is the department working along with First Nation organizations with the aboriginal children that are being apprehended or relocated to different areas in the Territories? What is the role of aboriginal First Nations in the concentration of the department of those children?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Health and Social Services, Mrs. Groenewegen.

Further Return to Question 51-14(3): Addressing Youth and Families at Risk

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, it is not always possible to place children in temporary placements in care where the foster parents are of the same culture, same language, same background, as the child in care.

As a department, we recognize the importance of involving the community in the plan of care and the actions that will be taken on behalf of the child and the family.

There are some impediments to this kind of thing because of the confidentiality often surrounding the issues which lead to the child being apprehended in the first place. However, I think there are proactive measures that we can take as a government to enhance the ability of, as you said, aboriginal governments and the community at large, to become more involved in addressing the problem.

Many times in small communities, there are issues of confidentiality, but most of the time in a small community, most people know what is going on anyway. So it seems kind of counterproductive to try and exclude people from being involved in helping to find viable solutions. I want to assure you, there are recommendations coming forward in the review of the child and family services legislation that speak about the involvement of the larger community in solving the issues. Thank you.

MR. SPEAKER: Thank you. Final supplementary, Mr. Krutko.

Supplementary to Question 51-14(3): Addressing Youth and Families at Risk

MR. KRUTKO: Thank you, Mr. Speaker. Can the Minister give us a breakdown of how many children are presently in care and where these facilities are located? Are they in the North? Are they in southern institutions? Can we get a list of where these children are in foster care, group homes, and young offenders' facilities?

MR. SPEAKER: Thank you, Mr. Krutko. That is a fairly detailed question. Perhaps the Minister would be best to write the answer to that. However, Mrs. Groenewegen, you may answer it if you choose.

Further Return to Question 51-14(3): Addressing Youth and Families at Risk

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I do have statistics here that the Member would probably be interested in seeing. It has a listing of the southern treatment centres for children, which facilities are accommodating children, and which region they are from. I could provide that to him. Also, we have a detailed list by region of children that are in different types of care.

In the interest of the limited time in question period, it might be difficult to read this information out. I will see that the Member gets a copy of it. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Oral questions, the honourable Member for Range Lake, Ms. Lee.

Question 52-14(3): Proposed Hotel Tax Revenue

MS. LEE: Thank you, Mr. Speaker. My question goes to the Minister responsible for Finance, and it has to do with the hotel tax. Mr. Speaker, in the House he stated that the potential revenue for this tax is \$1 million, after taking out \$100,000 of operational expenses. He also stated in the House that he is committed to spending this money towards the tourism industry, for a tourism strategy, or something tourism related.

I wonder if the Minister could indicate who is going to get the money and who is going to decide who is going to get it?

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Finance, Mr. Handley.

Return to Question 52-14(3): Proposed Hotel Tax Revenue

HON. JOE HANDLEY: Thank you, Mr. Speaker. As I mentioned before, our intention to implement a five percent hotel tax, there will be consultations before there is any decision on how the money is going to be allocated or who it is going to be given to. As well, I did state that there are two priorities for use of the money. One of them is to increase our regional capacity and our regional ability in delivering tourism programs, and the second is advertising the Northwest Territories as a tourist destination.

Those are the two objectives. I want to talk with industry. I want to talk with tourism operators and the public in general before any decision is made as to who will get the money or exactly how it will be distributed. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Ms. Lee.

Supplementary to Question 52-14(3): Proposed Hotel Tax Revenue

MS. LEE: Mr. Speaker, the Minister states in this House that he is going to consult, he is going to ask, but his scope of consultation is always so narrow. He seems to have an idea as to what he wants to do with it already. He knows he is going to tax and he is going to plan later. He already has an idea of where the money is going to go.

Has he consulted with the industry? Do they agree that the need is regional capacities or marketing or anything? Has he consulted the industry before coming up with the tax, Mr. Speaker?

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 52-14(3): Proposed Hotel Tax Revenue

HON. JOE HANDLEY: Mr. Speaker, I have had a lot of discussions with a lot of different people before announcing in the Budget Address that we are contemplating a five percent hotel tax.

The consultations continue. In fact, on late Friday afternoon, I met with the president of the tourism association. I also met with other people. Other people have called me and I am pleased with the support I am hearing from the tourism industry.

In terms of the directions on regional capacity and advertising, marketing the Northwest Territories as a destination, I have heard no difference of opinion. What I have made clear is that this money is not going to be used for administration. It is going to be used for enhancing tourism.

So I am continually talking with people. The tax does not come into effect until April, 2001, and we will use this period to determine how this tax is going to be implemented and how it is going to be distributed. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Ms. Lee.

Supplementary to Question 52-14(3): Proposed Hotel Tax Revenue

MS. LEE: Mr. Speaker, he seems to already know what he wants to do. He is going to introduce a tax April 1st, and he knows exactly what he is going to do. So I do not even know why he even says he is going to consult. What more information is there? It is like Mr. Ford stating you can have any colour car you want as long as it is black.

Mr. Speaker, he stated already that the money will go to tourism. Is he willing to set up a separate fund earmarked for tourism, so that this money that he raises with this tax does not go to the general revenue fund? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for Finance, Mr. Handley.

Further Return to Question 52-14(3): Proposed Hotel Tax Revenue

HON. JOE HANDLEY: Thank you, Mr. Speaker. No, I am not willing to do that. I want to consult with people. As I said before, there is a lot of consultation to go on before I can decide what kind of vehicle we will use or exactly how it is going to be distributed. We have several months here before we have to come up with a fixed way of doing it. So I will consult with Ordinary Members. I will consult with the industry. I will consult with anyone who is interested in it. However, I am not, today, going to commit to any particular vehicle. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Final supplementary, Ms. Lee.

Supplementary to Question 52-14(3): Proposed Hotel Tax Revenue

MS. LEE: Mr. Speaker, many governments have said this. Fuel taxes levied were supposed to be spent on roads. Everyone knows that is not the case. Governments tax first and figure out how to spend later. How can he assure the public that he is going to do what he says he is going to do, which is spend the money for tourism?

MR. SPEAKER: Thank you, Ms. Lee. Mr. Handley.

Further Return to Question 52-14(3): Proposed Hotel Tax Revenue

HON. JOE HANDLEY: Mr. Speaker, I said what I am going to do. It is on record. I am going to do that. I am going to do consultation on the five percent hotel tax. I am going to hear

what people have to say. That will determine exactly how this tax will be structured and designed. If I do not live up to my word, there is another election. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Item 6, oral questions. The honourable Member for North Slave, Mr. Lafferty.

Question 53-14(3): North Slave Medical Services

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Department of Health and Social Services, the Honourable Jane Groenewegen.

On February 24th, I made a statement in the House about medical services, or rather the lack of medical services available in the North Slave region. My constituents are very concerned about the medical services available to them. In the North Slave, we wish to create a more responsive health care system. Ideally, we would like to create a multi-purpose building in Rae, which could provide services for mentally challenged patients, services for addictions, and services for health care.

What will the Minister's department commit in terms of providing medical facilities to the Dogrib region? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Return to Question 53-14(3): North Slave Medical Services

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, our department cannot commit any funding at this time for capital projects for a multi-purpose facility in the Dogrib area.

These things are developed and placed as priorities in capital plans. At this time, there is nothing in the planning stages for additional infrastructure in those communities. When we look at communities such as the Dogrib communities, we look at their proximity to health services like hospitals, in relation to how far away other communities are. I guess we have to look at the issue of cost and priorities. At this time, there are no capital funds targeted for infrastructure. Thank you.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Mr. Lafferty.

Supplementary to Question 53-14(3): North Slave Medical Services

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, I am glad the Minister brought up the word cost. I would like to ask if the department has looked into the cost of permanent doctors versus travel, or facilities versus travel, to the south for special medical services? Thank you.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Further Return to Question 53-14(3): North Slave Medical Services

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I am not aware of any specific analysis that has been done that would compare the cost of providing services locally versus services in Yellowknife when it comes to hospital services. That is something we could look at. To my knowledge, there is nothing like that on record. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Lafferty.

Supplementary to Question 53-14(3): North Slave Medical Services

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, am I to believe the Minister is committing to looking into medical travel versus facilities and permanent doctors in the communities? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Further Return to Question 53-14(3): North Slave Medical Services

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, yes. It would not be that difficult to look at the funding, which now goes to service the people of the Dogrib region with respect to medical services and travel. Those numbers would be fairly easy to pull out and compare with what it would be if those services were resident in the community. We could undertake to do that. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 6, oral questions. The honourable Member for Frame Lake, Mr. Dent.

Question 54-14(3): Changes to the Student Financial Assistance Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Department of Education, Culture and Employment. It relates to my Member's statement earlier today. It has to do with the grandfather clause, which, according to the dictionary, is a clause creating an exemption based on circumstances previously existing.

Mr. Speaker, when the Minister told the committee that existing students would be grandfathered, would the Minister agree that the intent was that existing students would not be penalized by changes to the program?

MR. SPEAKER: Thank you, Mr. Dent. The honourable Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 54-14(3): Changes to the Student Financial Assistance Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I also stated that we have to take into consideration the costing of a model that would come into effect here. Yes, grandfathering was considered for those students who are in the system now, trying to complete their graduation. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Dent.

Supplementary to Question 54-14(3): Changes to the Student Financial Assistance Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, just for clarity's sake, could the Minister advise me whether or not the intent was to ensure that an existing student would at least get the same benefits they were receiving under the old program in the new program? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Minister Ootes.

Further Return to Question 54-14(3): Changes to the Student Financial Assistance Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I have to state again that it was pointed out that we have to take into consideration the costing of the model to do any grandfathering. I believe that was stated by me. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Dent.

Supplementary to Question 54-14(3): Changes to the Student Financial Assistance Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, unfortunately the Minister did not advise the committee at the time that costing was going to be a problem. We had asked how much it was going to cost to extend the program and provide the improvements. I believe we were assured by the Minister that they would take a look at grandfathering. Mr. Speaker, will the Minister make revisions to the program, ensuring that students who were in the system this past semester can continue to receive grants or remissible loans for which they qualified under the old program? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 54-14(3): Changes to the Student Financial Assistance Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, we have taken a look at the grandfathering of those who are out of the system now and those who are in the system to carry on for a longer period of time. It looked like it was going to be very expensive to do that. I am trying to get more definitive figures on this. I do not have an answer on that until I get those definitive figures. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Final supplementary, Mr. Dent.

Supplementary to Question 54-14(3): Changes to the Student Financial Assistance Program

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, the Minister is answering a question about transition to a new program. In other words, adding extra semesters for students who have had some assistance already. I am talking about students who were in the system, told last fall they would qualify for four more semesters of assistance, and now are being told they do not

qualify for that assistance because the program has been changed.

Will the Minister take a look at the program and make revisions to the program to allow students who were in the system to receive at least the grants they were entitled to under the old system? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 54-14(3): Changes to the Student Financial Assistance Program

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the system that was devised was if students had used up half of their entitlement, they would be entitled to another half. That was the system that has been incorporated into the new system. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Bell.

Question 55-14(3): Student Financial Assistance Eligibility

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I would like to follow up on the same line of questioning, because I do not think we are getting the answer we are looking for. I think the Minister is talking about transition from the old program to the new program. We are asking about grandfathering. I believe the cases Mr. Dent is referring to are cases of students who were told last year they would be eligible for funding because they were in fact residents of the Northwest Territories.

Now, the stipulation has been made that residency alone is not good enough. You need to have gone to school here. If your parents lived here but chose to send you to boarding school, you used to be eligible for funding. You are not anymore. The students last year who were told they would have funding are now out in the cold.

Can the Minister tell us if he will revise that, make the changes and look after these students? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 55-14(3): Student Financial Assistance Eligibility

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I cannot make a commitment here to change the program. I will have a look at it. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Bell.

Supplementary to Question 55-14(3): Student Financial Assistance Eligibility

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, we had students sitting outside on the front stoop and the front lawn, wondering about their next year's schooling. There is not much time at hand. I am wondering if the Minister can tell us if he will get back to us in the next couple of days, so we can advise

these students, or will they have to forego a year of university and sit around and wait for the department to take action? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 55-14(3): Student Financial Assistance Eligibility

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I will deal with the issue expeditiously. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Bell.

Supplementary to Question 55-14(3): Student Financial Assistance Eligibility

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I do not mind that matter of answer, but the students who are listening are very frustrated. I am wondering if the Minister can let these students know they will be able to go to university next year and they will receive funding. Expeditiously means these students will not be left behind next year.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 55-14(3): Student Financial Assistance Eligibility

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the question was will I handle this in an efficient and expeditious manner. Yes, I will.

MR. SPEAKER: Thank you, Mr. Ootes. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Question 56-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, my question will go to the Minister responsible for the Department of Health and Social Services, and follows the same line as the question I had earlier about the Inuvik Regional Hospital.

Knowing it has changed from a P3, I believe it has gone to the department, and they are back in control of this. Can the Minister inform me what has been done since the changing of the P3? What decisions are made? I was informed the department and Cabinet would look at the 30 percent of the drawings that were already done, and proceed from there. Is that the case? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. The Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Return to Question 56-14(3): Inuvik Regional Hospital

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I am merely the Minister of the client department that is looking for this new capital infrastructure. Once we decide not to proceed, our department then works with Public Works and Services, who act on behalf of other departments to administer capital projects.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Roland.

Supplementary to Question 56-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I am not sure what to take from that response. Are you informing me that your department is not directing this project? It is now in the hands of Public Works and Services? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Further Return to Question 56-14(3): Inuvik Regional Hospital

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, of course our department will continue to work, but this now falls under the management of the Department of Public Works and Services. Our department will develop a submission that will go forward for supplementary funding to place this project on the capital acquisition plan and secure the necessary funding to proceed with this project. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Supplementary, Mr. Roland.

Supplementary to Question 56-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. So if the Department of Public Works and Services is now managing it, who is directing them in that course? Is it the health board in that region, the Beaufort Delta area, or is it in your hands or the Minister of Public Works and Services' hands? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Further Return to Question 56-14(3): Inuvik Regional Hospital

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, it still is in the hands of the Department of Health and Social Services. We expect it will shortly be in the hands of the Department of Public Works and Services. Our department will continue to work with them to see the final product is what is being sought by the Inuvik region. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Final supplementary, Mr. Roland.

Supplementary to Question 56-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, when this project is officially in the hands of the Department of Public Works and Services, are there some guidelines and timelines they have to follow? Or will they look at developing a whole new scenario? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The Minister responsible for the Department of Health and Social Services, Mrs. Groenewegen.

Further Return to Question 56-14(3): Inuvik Regional Hospital

HON. JANE GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I believe the Member is asking if we are going back to square one on the drawing board with this project. I believe there is a substantial amount of information that will have been compiled in the department that will assist in moving the schedule along. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 6, oral questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

Question 57-14(2): Direction to GNWT Negotiators

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Aboriginal Affairs, regarding his remarks about the Dogrib chief negotiator and the council's statement in the press. I have some real concerns about the statement he released.

It basically says the government of the Northwest Territories and Cabinet are committed to negotiate self-government agreements that can be successfully implemented. We provide negotiation mandates to our negotiators. If issues rising at the table go beyond the mandate, they return to Cabinet for further direction.

The way I interpret that, after being at the negotiation table on the aboriginal side, is negotiation is a two-way street. What you want to do is improve the lives and conditions of the people you are negotiating for, especially First Nations people. The intent of self-government negotiations is that it works both ways. At the end of the day, you sit down and try to come up with something you both can agree to that reflects the First Nation ambitions and the government's ambition of devolving powers to the First Nations.

I would like to ask the Minister how much room there is to negotiate if the mandates given to these negotiators is so rigid that they cannot move on anything and have to keep coming back to Cabinet.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Return to Question 57-14(2): Direction to GNWT Negotiators

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the negotiators have flexibility at the table. As I indicated, the next session is not going to be until October. The chief negotiators are getting together in August. They had a four-day session last week, from Tuesday to Friday.

New material was placed on the table by Canada and the Dogribs. We have to look at it and provide further direction to our negotiators. That is what I was trying to relay in this message.

How we instruct the negotiators, especially towards the final claims, where all of the tough issues are, we have to make sure that the instructions are there to allow the negotiators to move the process along, while at the same time trying to provide our negotiators with instructions that the government is committed to. That will commit to public accountability. To try and ensure

that at the end of the day there is an agreement in place that could be successfully implemented.

It is a delicate and very complex time that we are in. We are trying to make sure that there is enough flexibility, and we are trying to give enough direction in a timely manner to our negotiators so that they have something when they go to the table. Thank you.

MR. SPEAKER: Thank you, Minister Antoine. Supplementary, Mr. Krutko.

Supplementary to Question 57-14(3): Direction to GNWT Negotiators

MR. KRUTKO: Thank you, Mr. Speaker. Are the negotiations at the point of being too rigid with no flexibility to negotiate? Especially with changing the institutions that we have in place now. Many of the government programs and services do not seem to be working. We are having problems in funding our institutions; education, health care, and social costs.

Are the aboriginal organizations able to change the existing infrastructures that we have to reflect the aboriginals' needs for the way they want to implement these programs? Are they able to go that far?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Further Return to Question 57-14(3): Direction to GNWT Negotiators

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the negotiations are in a manner that during the actual negotiations, if we come to a very tough issue, or impasse, usually after the session is over, all of the respective negotiators report back to their principals and we review what has been said and try to gauge the next set of instructions.

We have been negotiating with the Dogribs for a number of years now. As I indicated, all of the really tough issues are left to the very end. That is what we are encountering right now.

The process, as I said earlier, is ongoing. It is not stalled. We are on schedule according to the agreement that we had in May. There are a series of meetings identified and there are many details on the table. They are on the table and are still in the process of being negotiated. Thank you.

MR. SPEAKER: Thank you, Minister Antoine. Supplementary, Mr. Krutko.

Supplementary to Question 57-14(3): Direction to GNWT Negotiators

MR. KRUTKO: Thank you, Mr. Speaker. One of the elements you touched on was the successful implementation of these arrangements. Under the different items to negotiate, using the Gwich'in agreement as an example, it states that implementation plans and financial arrangements relating to self-government agreements will also be negotiated once the items have been identified.

Are you jumping the gun by saying we cannot agree to putting something in place because we do not know what the whole picture is? In order to get a better understanding of what the

cost factor is, you have to have a complete agreement. How close are we to having a complete agreement so we know how much this self-government agreement is going to be?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Aboriginal Affairs, Mr. Antoine.

Further Return to Question 57-14(3): Direction to GNWT Negotiators

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, we would like to try to complete this whole process as quickly as possible. However, we have to be very cautious, and try not to be too reckless so we have a good agreement that is workable at the end of the day.

We still have some way to go. Perhaps over a year to complete this. I cannot say how long this will take. If everybody agrees on all the different issues, we will have a very fast process. As I said, the two other parts of the party have left all the real tough issues to the very end. It might be some tough going here towards the end of the final agreement. I cannot say exactly how long it is going to take, but we will try to conclude it as soon as we can. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Final supplementary, Mr. Krutko.

Supplementary to Question 57-14(3): Direction to GNWT Negotiators

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in light of what the Minister stated, I feel we are jumping the gun here and are overreacting. We should see what the complete picture is. I would like to ask the Minister if he is willing to loosen up on the set criteria he has put in place for his negotiators and allow them to negotiate and let us see what the complete package looks like, so we have something we could put our teeth into and see what the cost of that agreement is going to be. Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. Mr. Antoine.

Further Return to Question 57-14(3): Direction to GNWT Negotiators

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, I will take the honourable Member's question as advice, then we will take it and discuss it internally to see what the possibilities are. We are towards the end of the process. I think we are still in for a rough ride. We will deal with all the issues as they come forward. Thank you.

MR. SPEAKER: Thank you, Mr. Antoine. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 58-14(3): Meeting with Federal Transport Minister

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister responsible for Transportation. We are all aware that Minister Steen has met with the Federal Transportation Minister. I wonder, and maybe by the lack of any statement made by him, we already know the answer, but can the Minister tell us how the meeting went and whether he was able to get any money for us? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Return to Question 58-14(3): Meeting with Federal Transport Minister

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, the answer is no, I did not get any money.

MR. SPEAKER: Thank you, Mr. Steen. Supplementary, Ms. Lee.

Supplementary to Question 58-14(3): Meeting with Federal Transport Minister

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, the rest of the Members have been working very hard here all of last week. He went all the way to Ottawa and back. Perhaps he could just share with us what he did in those two days in trying to get the money. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 58-14(3): Meeting with Federal Transport Minister

HON. VINCE STEEN: Thank you, Mr. Speaker. I met with Minister Collette.

MR. SPEAKER: Thank you, Mr. Steen. Supplementary, Ms. Lee.

Supplementary to Question 58-14(3): Meeting with Federal Transport Minister

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, the level of respect the Ministers are showing to Members here is overwhelming. Mr. Speaker, I believe we are entitled to ask the questions. Could the Minister tell us what he asked the Minister? What was his proposal? What did he go there for? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. I must remind Members the Ministers can answer in any way they want: yes, no, or not answer at all. The Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 58-14(3): Meeting with Federal Transport Minister

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I attended a meeting with Mr. Collette in Toronto, not Ottawa. It was specifically to see if we could raise issues with him as to special funding for the Northwest Territories portion of the National Highway Strategy Funding Program, and also to bring to his attention the Non-Renewable Resource Strategy, and hope to obtain his support in federal Cabinet for that specific proposal.

The Minister listened to our concerns and did give some indications as to what possibilities for different options for how this funding may be divided up among the provinces and territories, but he did say there are no decisions made and they will not be made until later in the year. Thank you.

MR. SPEAKER: Thank you, Mr. Steen. Final supplementary, Ms. Lee.

Supplementary to Question 58-14(3): Meeting with Federal Transport Minister

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I am aware that the Minister was going to talk to the federal Minister about working out the formula so jurisdictions like ours will not be jeopardized for the money we have already budgeted for road construction.

Was he able to talk to him about that formula? Are there going to be any further meetings? Did he say "Sorry, no money. Goodbye.", or is there going to be another date? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 58-14(3): Meeting with Federal Transport Minister

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, the Minister did not indicate there would be any future meetings or a need for future meetings. He just indicated that all the information put forward by the different provinces and territories would be taken into consideration, including the option of special funding for the Territories as being one area that does not have a completed national highway transportation system. He did not indicate which option would be preferred.

However, he did suggest they are prepared to put forward a proposal for further funding for this particular program to the tune of possibly \$1.2 billion in the future.

MR. SPEAKER: Thank you, Mr. Steen. Item 6, oral questions. The honourable Member for Thebacha, Mr. Miltenberger.

Question 59-14(3): Response to Student Financial Assistance Questions

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Department of Education, Culture and Employment, regarding the SFA issues that have been raised in this House today.

I would like clarification from the Minister. The Minister's budget will be coming up in the next day or so. Can I ask the Minister if he anticipates whether he will be able to answer these questions he has taken as notice during the course of the budget review? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 59-14(3): Response to Student Financial Assistance Questions

HON. JAKE OOTES: Thank you, Mr. Speaker. I did take Mr. Miltenberger's question as notice and I will have an answer for him on that. With regard to the other questions, I am working on it, and will continue to work on it this afternoon.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Miltenberger.

Supplementary to Question 59-14(3): Response to Student Financial Assistance Questions

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, as the Minister is looking at the SFA issues and answers to questions raised, could he also prepare an answer for the reason why students are limited by choice of travel agent, in terms of booking their flights out to post-secondary institutions? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 59-14(3): Response to Student Financial Assistance Questions

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the issue of travel tickets was previously cumbersome. Part of the reason is that there is a requirement to have a confirmation of acceptance in the program from the university, then travel arrangements can be made.

I directed staff to contact the travel agencies and assess what procedures they need and see how the response time can be improved, so we could overcome some of these administrative difficulties. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Miltenberger.

Supplementary to Question 59-14(3): Response to Student Financial Assistance Questions

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, could the Minister clarify whether students from regions outside of Yellowknife are entitled to use the travel agents from their regions, or do they have to go through travel agents in Yellowknife? Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 59-14(3): Response to Student Financial Assistance Questions

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I believe they can use travel agencies in their region. I will double check that to make sure it is correct. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Item 6, oral questions. The honourable Member for Yellowknife South, Mr. Bell.

Question 60-14(3): Post-secondary Student Expenses

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, my question is also for the Minister responsible for the Department of Education, Culture and Employment, and is also about student financial assistance.

In applying for SFA in the new system, students are asked to justify certain expenses, and itemize these expenses. For instance, they are asked what their rent will be next year, although they are still here in Yellowknife and have not found lodgings for the upcoming semester, so they are not aware of what it might be.

They are also told that things like telephone calls and internet service do not qualify as expenses they are asked to itemize.

I am wondering if the Minister could talk about why students are asked to justify their expenses, when in fact justifying these expenses has no relation to the amount of money they receive? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 60-14(3): Post-secondary Student Expenses

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the expense allowances that are provided are for food, shelter, travel, books and tuition. There is a need to ensure...administratively, it becomes very difficult. This is consistent with other student assistance programs elsewhere. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Bell.

Supplementary to Question 60-14(3): Post-secondary Student Expenses

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I am not sure if that makes it good or bad, but I do not understand exactly why students are asked to break them down in the manner they are, and it does not seem to have any bearing on how much money they receive. Either they get the grants or they do not. It does not seem to matter whether or not they have \$1,000 worth of rent or \$200 worth of rent and \$800 worth of hairspray.

Can he tell us what relation is made to expenses justified and the amount of money that students receive? Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 60-14(3): Post-secondary Student Expenses

HON. JAKE OOTES: Thank you, Mr. Speaker. I would have to check into that. I just do not have that answer here, the why and where they require great detail as to where the expenses are going. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Bell.

Supplementary to Question 60-14(3): Post-secondary Student Expenses

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I would just like to ask the Minister if, when he is checking into that, he could check to see if the requirement is there. That information is required through the Millennium Scholarships, and not really for our Northwest Territories SFA. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 60-14(3): Post-secondary Student Expenses

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, if it is required for the Millennium Scholarships, then it is a case of the Millennium Scholarship Foundation setting the rules as to what to plan. That is consistent across the country. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Final supplementary, Mr. Bell.

Supplementary to Question 60-14(3): Post-secondary Student Expenses

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, I would agree that would be the case, but it is not explained to students why they are asked to justify these expenses. I believe the department is doing it because of requirements under the Millennium Scholarships, but that is not laid out. I am wondering if that can be explained for students, if that is the case.

MR. SPEAKER: Thank you, Mr. Bell. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 60-14(3): Post-secondary Student Expenses

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, that is a very good point. I will certainly bring that to the department's attention.

MR. SPEAKER: Thank you, Mr. Ootes. Item 6, oral questions. The honourable Member for Frame Lake, Mr. Dent.

Question 61-14(3): Financial Assistance for Disabled Students

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, my question is also for the Minister responsible for the Department of Education, Culture and Employment. With the response to Mr. Bell, the booklet will now become 109 pages instead of 108 pages, plus appendices, for students to try and work through.

Mr. Speaker, in going through this manual, I have come up with a number of questions I would like to ask the Minister for some clarification on. I notice in three different places, it is laid out that we have an NWT study branch for students with disabilities who are taking full-time studies. I am wondering if the Minister could outline the changes in the SFA program that now apply to students with disabilities compared with the previous program.

MR. SPEAKER: Thank you, Mr. Dent. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Return to Question 61-14(3): Financial Assistance for Disabled Students

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the program has been changed to include \$5,000 for a student with a disability. Thank you.

MR. SPEAKER: Thank you, Mr. Ootes. Supplementary, Mr. Dent.

Supplementary to Question 61-14(3): Financial Assistance for Disabled Students

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, could the Minister advise if that is a \$5,000 increase for the program? Are the expectations that the student will meet all of the other requirements for SFA?

MR. SPEAKER: Thank you, Mr. Dent. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 61-14(3): Financial Assistance for Disabled Students

HON. JAKE OOTES: Thank you, Mr. Speaker. I believe that is correct, Mr. Speaker. Yes.

MR. SPEAKER: Thank you. Supplementary, Mr. Dent.

Supplementary to Question 61-14(3): Financial Assistance for Disabled Students

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, in another section, I understand that most of the assistance provided to students is not needs-assessed. Everyone qualifies for the same amount, as Mr. Bell has pointed out.

Why would the expected student contribution from employment be ten percent? What is the rationale for that?

MR. SPEAKER: Thank you, Mr. Dent. The Minister responsible for the Department of Education, Culture and Employment, Mr. Ootes.

Further Return to Question 61-14(3): Financial Assistance for Disabled Students

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I do not have the answer for that. I will take it as notice.

MR. SPEAKER: Thank you, Mr. Ootes. The question has been taken as notice. Item 6, oral questions. The honourable Member for Inuvik Boot Lake, Mr. Roland.

Question 62-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I will try Minister number three on the Inuvik Regional Hospital. Taking the lead from the Minister responsible for the Department of Health and Social Services informing me the project will be put in the control of the Department of Public Works and Services, can the Minister of Public Works and Services inform me what has been done since his department has become involved in the management of that project? Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for the Department of Public Works and Services, Mr. Steen.

Return to Question 62-14(3): Inuvik Regional Hospital

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I believe, as the Minister of Health indicated earlier, the whole project is back to square one, where it now goes through the policies of Health and Social Services, putting it back to the Financial Management Board Secretariat for funding.

MR. SPEAKER: Thank you, Mr. Steen. Supplementary, Mr. Roland.

Supplementary to Question 62-14(3): Inuvik Regional Hospital

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, that causes me great concern. If it is going back to square one, I have heard from other Ministers that it does not go back to square one, that they will take the project from where it is at, which I believe is 30 percent completed drawings. Can the Minister confirm for me that it is back at square one as far as he sees it? What does square one mean in the eyes of the Department of Public Works and Services?

MR. SPEAKER: Thank you, Mr. Roland. I believe there were two questions there. The honourable Minister responsible for the Department of Public Works and Services, Mr. Steen.

Return to Question 62-14(3): Inuvik Regional Hospital

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, to avoid any more confusion, I will take the question as notice and will respond to the Member.

MR. SPEAKER: Thank you. The question has been taken as notice. Item 6, oral questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

Question 63-14(3): Location of Dempster Weigh Scale

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, regarding the weigh scale in Inuvik, I would like to ask the Minister of Transportation...we see the weigh scale in Fort Liard, which is on the highway system that comes in from British Columbia. Then we have the weigh scale in Enterprise, which comes up from the Alberta highway. Yet in the Dempster Highway, we have the weigh scale at the end of the road.

Is there anything in the works to possibly move the weigh scale to Fort McPherson, which is the first community the Dempster Highway meets, in which all trucks have to pass through to haul goods up the Dempster? Is there that possibility, of putting the weigh scale where it can give an accurate count of the loads going through the Dempster Highway, essentially relocating it to Fort McPherson?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Return to Question 63-14(3): Location of Dempster Weigh Scale

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I am not up to par on exactly why the weigh scale is located where it is. I will certainly take the Member's questions to the department and see what is involved in relocating the weigh scale. We must keep in mind that there is a cost associated with the relocation. Thank you.

MR. SPEAKER: Thank you, Mr. Steen. Supplementary, Mr. Krutko.

Supplementary to Question 63-14(3): Location of Dempster Weigh Scale

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, the concern I have is because of the weight going up the Dempster Highway, where they cross a number of ferries, the wear and tear on the highway system...you have a lot of overloaded trucks. Because Inuvik is at the end of the road, we do not really see what the impact is. I would like to ask the Minister if, for public safety, that can be taken into account in the question of the relocation.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 63-14(3): Location of Dempster Weigh Scale

HON. VINCE STEEN: Thank you, Mr. Speaker. I believe that the Member has a good point. I am not sure how we ensure that the trucks are not overloaded going on the ferry, so I will take the Member's question to the department and get back to him with a written response. Thank you.

MR. SPEAKER: Thank you, Minister Steen. The time for question period has elapsed. Mr. Krutko, you may finish your supplementaries. Supplementary, Mr. Krutko.

Supplementary to Question 63-14(3): Location of Dempster Weigh Scale

MR. KRUTKO: Thank you, Mr. Speaker. In regard to the weigh scale, I also have concerns about the condition of the road, because of the wear and tear from the traffic going up and down the Dempster Highway, especially the section between the Yukon border and the Peel River. That is another area of concern I would like to ask the Minister to consider looking at.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Transportation, Minister Steen.

Further Return to Question 63-14(3): Location of Dempster Weigh Scale

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I did not hear a question there, but I will take the Member's comments back to the department. Thank you.

MR. SPEAKER: Thank you, Minister Steen. Final supplementary, Mr. Krutko.

Supplementary to Question 63-14(3): Location of Dempster Weigh Scale

MR. KRUTKO: Thank you, Mr. Speaker. How soon can the Minister get back to me about the possibility of moving the weigh scale closer to the start of the Dempster Highway? Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister of Transportation, Mr. Steen.

Further Return to Question 63-14(3): Location of Dempster Weigh Scale

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, my department will try to get back to the Member as soon as

possible, but he does have the option of putting the question directly to the deputy minister when we enter discussions about the department. Thank you.

MR. SPEAKER: Thank you, Minister Steen. The time for question period has elapsed. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to the opening address. Item 10, replies to the budget address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills.

Before we proceed to item 14, tabling of documents, the House will take a break to deal with some business in the Great Hall.

-- Break

MR. SPEAKER: I will call the House back to order. Item 14, tabling of documents. The honourable Member for Weledeh, Mr. Handley.

ITEM 14: TABLING OF DOCUMENTS

Tabled Document 10-14(3): Common Ground: Northwest Territories Economic Strategy 2000

HON. JOE HANDLEY: Thank you, Mr. Speaker. I wish to table the following document, entitled Common Ground: Northwest Territories Economic Strategy 2000. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Handley. Tabling of documents, the honourable Member for North Slave, Mr. Lafferty.

Tabled Document 11-14(3): Yellowknife Newspaper Advertisement Entitled Self-Government in Jeopardy

Tabled Document 12-14(3): News/North Newspaper Advertisement Entitled Self-Government in Jeopardy

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to table two documents. One is the Yellowknifer, dated June 23rd, and the other one is News North, June 26th. Both are related to self-government in jeopardy, regarding the Dogrib land claims and self-government negotiations. Thank you.

MR. SPEAKER: Thank you. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for the first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in committee of the whole of bills and other matters.

Bill 1, Appropriations Act, 2000-2001; Committee Report 1-14(3), Standing Committee on Accountability and Oversight Review of 2000-2003 Business Plan and 2000-2001 Main Estimates; Committee Report 2-14(3), Standing Committee on Governance and Economic Development Review of the 2000-2003 Business Plan and 2000-2001 Main Estimates; and Committee Report 3-14(3), Standing Committee on Social Programs Review of the 2000-2003 Business Plan and 2000-2001 Main Estimates.

By the authority given to the Speaker by Motion 4-14(3), the House is resolved into committee of the whole to sit beyond the time of adjournment until the committee is prepared to report.

Item 20, consideration in committee of the whole of bills and other matters with Mr. Krutko in the Chair.

ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Krutko): I would like to call the committee to order. We are dealing with Bill 1, Appropriations Act, 2000-2001; Committee Report 1-14(3), Standing Committee on Accountability and Oversight Review of 2000-2003 Business Plan and 2000-2001 Main Estimates; Committee Report 2-14(3), Standing Committee on Governance and Economic Development Review of the 2000-2003 Business Plan and 2000-2001 Main Estimates; and Committee Report 3-14(3), Standing Committee on Social Programs Review of the 2000-2003 Business Plan and 2000-2001 Main Estimates.

Yesterday we left off with the Department of Resources, Wildlife, and Economic Development. Is that still the wish of the committee? Mr. Dent.

MR. DENT: Mr. Chairman, I would like to recommend that the committee continue consideration of the budget and committee reports 1, 2 and 3 concurrently.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Dent. Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): I would like to ask the Minister responsible for Resources, Wildlife and Economic Development if he would like to call any witnesses.

HON. JOE HANDLEY: Mr. Chairman, yes, I will.

CHAIRMAN (Mr. Krutko): Sergeant-at-Arms, could you escort the witnesses in? Mr. Handley, can you introduce your witnesses for the record?

HON. JOE HANDLEY: Mr. Chairman, on my left is Bob McLeod, deputy minister for Resources, Wildlife and Economic Development. On my right is Jim Kennedy, director of corporate services for Resources, Wildlife and Economic Development. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. We are under general comments. Detail. We are on page 11-9: corporate management. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The competition benefits under corporate management, there is a significant increase there. Can he inform us as to the reasons for that increase? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the difference is because the superannuation adjustment was put into corporate management for the entire department. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Will this situation be ongoing? Is that total amount of almost \$2 million totally due to the pension adjustments?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there are two larger items than that one. One of them is the pension adjustment, which is \$1.1 million, and the other item that I did not mention that went into that category as well is \$1.3 million, which is a transfer from Public Works and Services for ongoing maintenance. The department has assumed responsibility for it in the last year. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The \$1.3 million transfer from Public Works for ongoing maintenance, why would it be under corporate compensation and benefits?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Sorry, Mr. Chairman, I did not catch the question.

CHAIRMAN (Mr. Krutko): Mr. Roland, could you rephrase the question?

MR. ROLAND: Thank you, Mr. Chairman. The Minister stated that of this approximately \$2 million increase in compensation benefits under corporate management, \$1.1 million was pension adjustments and \$1.3 million was ongoing maintenance transferred from Public Works and Services. My question is, why would maintenance dollars show up under corporate management compensation and benefits? That is normally salary, is it not?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, if I could just give my director of corporate services a few minutes here to sort out what this is, and I could come right back to it, if you would like, rather than just waiting or even taking it as information. I do not think it is that difficult to work out, but I want to get it right here.

CHAIRMAN (Mr. Krutko): Mr. Kennedy, are you ready to answer the question?

MR. KENNEDY: Maybe Mr. Roland has another question he would like to pursue?

CHAIRMAN (Mr. Krutko): Mr. Handley, if you can take another question, and then we will respond back to Mr. Roland with the answer to that question. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I am curious as well, under other expenses, there is an increase of roughly \$300,000 from last year to this year. If the Minister could just elaborate a bit on what that \$300,000 under other expenses is attributed to? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I will ask Jim Kennedy, director of corporate services, to answer that one.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Kennedy.

MR. KENNEDY: Thank you, Mr. Chairman. There was some reallocations we did in corporate management, most significantly in terms of the salaries and benefits of the roughly \$1.3 million that came in from the superannuation. Also, we did

some reallocations because the corporate management activity was historically under-funded in terms of salaries, so there were a number of funds transferred to salaries from other divisions.

As most of the Members are aware, we did reduce the funding for the Development Corporation. Part of that funding was put into corporate management in terms of salaries, because they were under-funded.

Another part of the increase is from the Mackenzie Valley development, where we did locate a position in headquarters and some of the funding was put into corporate management as well. Thank you.

CHAIRMAN (Mr. Krutko): Just for clarification, Mr. Kennedy, there were two questions asked. One about the increase in compensation benefits, and the other question was other expenses. Could you rephrase your question and direct each one of those questions to their particulars so that you can answer Mr. Roland's question and also Mr. Miltenberger's? Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, we will have to take that one as notice and get back to you because we do not have the details of how it is broken up, because there are some increases and some decreases here. By the time we work it all out to give you the exact numbers, it is going to be complicated.

If you want a general overview, we could provide that, but to get right down to the exact adjustment, we just do not have the information here. I am sorry. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Handley, we usually do not take questions as notice. Either answer the question or rephrase to one of your colleagues. I will ask Mr. Roland or Mr. Miltenberger if that is acceptable, or would you like an answer? Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. This is the only time that we have to get the information on the detail at this level. If the Minister is prepared to stand down on this area of the budget until he can provide the information, then I would be willing to do that. Before it gets approval, I would hope to have the detail of that question.

I have heard a couple of things, Mr. Chairman. Initially, I was informed that a pension adjustment of \$1.1 million, and then a transfer from Public Works of \$1.3 million. In fact, it is other transfers from other areas of the budget up into corporate management.

One of the other concerns was that they were taking program dollars and converting them to salary dollars. Is that the situation here? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, looking at other expenses, I can try to provide it, but it is going to be a bit confusing for a couple of reasons. One is the 1999-00 budgeted amount originally was \$3,335,000, but then there were some restatements that were done, bringing that amount to the \$4,447,000 as indicated in the main estimates book.

Then there were a number of other adjustments that were made. We did a user-pay-user-say building maintenance that was transferred, that is \$1.1 million. There were self-government negotiations, another \$29,000. The Mackenzie Valley planning, \$108,000. Then there was a reduction to reallocate user-pay to forest management, taking out \$113,000. Then, reallocating user-pay to resource management, taking out another \$154,000. There was a \$2,000 adjustment on the Development Corporation reallocation. Again, a couple of internal reallocations within resource management and forest management of \$20,000 each.

So, Mr. Chairman, I can get to it by totaling up all of those things, but I am not sure that this is going to serve the Member's purpose. I am happy to do it this way if you like.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. I believe you were responding to the question asked by Mr. Miltenberger, so I will ask Mr. Miltenberger if he wants to respond to that. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I was initially, though I recognize that there was a significant change from the 1999-2000 main estimates to the revised main estimates and then back up to the budget figure this year, I was querying the \$300,000 increase from the revised main estimates up to what they are in the budget today.

Listening to the figures that the Minister rattled off, it would seem that he covered a lot of territory, but significantly more than the \$300,000 that I was asking about. It sounds like there may be some overlap with the figures referred to in the compensation and benefits, the difference of \$2.5 million.

I am still not clear. The answer has not been clear. If I could ask the Minister if he could distinctly separate out those two areas. I share the concerns of my colleague Mr. Roland in terms of the compensation and benefits. Does it have maintenance money in there from Public Works, or are we taking program money from the field and moving it into headquarters to pay staff and demoting regional program dollars?

CHAIRMAN (Mr. Krutko): Thank you, Mr. Miltenberger. Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I am again going to ask the director of corporate services to attempt to answer the question.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Kennedy.

MR. KENNEDY: Thank you, Mr. Chairman. Essentially, the major difference, as we said before in terms of the salaries, there is a \$1.3 million increase because of the superannuation. In addition, we transferred in some \$770,000 from reallocations into salaries. That is the major component of the difference for the salaries and benefits.

Again, the Minister did mention that there were some changes, some in and out changes, affecting the O and M expenditures. So the net, if we are going from the last main estimates to the current main estimates, is a reduction of roughly \$300,000. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Kennedy. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. There is an overall reduction from what to what here? I am not following. I see a \$2.7 million increase in these main estimates from last year's revised main estimates.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, if you are going from mains to mains, you are going from \$4,477,000 down \$300,000 roughly to \$4.1 million. That is what we are looking at, not from the revised mains to mains.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Perhaps the Minister could clarify for me. My understanding is that the figures that we used were the revised main estimates. Initially, we may have started with \$4,477,000, but in the end the figures were adjusted to \$3,800,000, which means there has been an increase. Is the Minister saying that in fact the revised main estimates came before the main estimates and the main estimates are the figures we are using? I understood that the operational figure would be \$3,800,000.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, the revised main estimates include literally hundreds of changes and adjustments that are made throughout the year. A detail of exactly what all of those changes are that resulted in the revised main estimates would require a long list. In order to compare apples to apples, we need to work from main estimates to main estimates. There are a lot of changes in and out that result in the revised mains. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Miltenberger.

MR. MILTENBERGER: Mr. Chairman, Thank you. I do not want to seem as though I am being deliberately obtuse here. I have gone through the figures, the \$3.8 million. I just want you to tell me why there is a \$300,000 increase from the revised main estimates, and you are telling me you cannot do that because it is too detailed and I should work off of the \$4.4 million. Which is in fact, as you say, a \$300,000 decrease.

I am interested to know, last year, after all was said and done, we ended up with \$3.8 million in the revised main estimates. This year, you are back up to \$4.1 million, which is a \$300,000 increase. What constituted that increase? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, the \$3.8 million in the revised main estimates as compared to the \$4.1 million in the 2000-2001 main estimates, there is a difference of \$300,000, which is a net effect of a lot of adjustments that are made. That is what resulted in the \$3.8 million revised estimates. There are a number of things in here. It is not one or two or three main things. It is a whole lot of adjustments, some in and some out.

So, as I said, if we want to be consistent, looking at one budget to another budget, we have to work main estimates to main estimates. If we try to do it from the revised main estimates, it

includes too many changes made throughout the year that make it impossible to try and track it back and forth. Thank you.

-- Interjection

Mr. Chairman, I am not trying to be difficult about this. The revised main estimates are made up of many ins and outs. It is really hard to describe it. There are hundreds of pieces in there. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Could the Minister just give me some examples of what would be included in the \$300,000? I am working off of the revised main estimates, the \$300,000 increase. What would be some of the other expenses, \$300,000 worth, that contributed to that overall figure? Can you just give me an idea, given that other expenses can cover a multitude of sins, so to speak?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I will ask Mr. Kennedy to give us some examples of the changes that have been made from the main estimates to the revised main estimates.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Ms. Kennedy.

MR. KENNEDY: Thank you, Mr. Chairman. During the course of the year, what happens is you get supplementary appropriations which would be reflected. They could be plus or minus. You have people transferring. So we could be transferring salaries from one location to another. We make interactivity transfers. There are any number of things that could impact it.

For the Member's benefit, for instance, corporate management includes the directorate, policy and planning, finance, information systems, so there are a number of components that are impacted when we talk about corporate management. During the year, a number of transfers are made between these divisions and other divisions. Certainly, it would not be a problem to provide the House with a listing of all of those things that made it up.

Essentially, we make general vouchers. We do all sorts of things like that between divisions. Over the course of 12 months, there is going to be a rather long list of ins and outs. Certainly, we would have no problem providing that, but in any given division, it would be rather lengthy. Still, that would not be a problem to provide it, if that is the Member's wish. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I think we are talking about different ends of the horse here. I am not interested in the back end where we talk about the 1999-2000 main estimates and how you got to the revised main estimates. All I want to know at this point are some examples of what your anticipated expenses were that would account for a \$300,000 increase from \$3.8 million up to \$4.1 million. I am interested in the front end of the horse here. The budget that we are currently talking about, not the back end of last year. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Miltenberger. Just for Members' sake, we are on page 11-9, corporate management. We are dealing with operational expenses. Mr. Kennedy.

MR. KENNEDY: Thank you, Mr. Chairman. The major increase that would substantially account for the money is the funding that we received for the Mackenzie Valley. We put a fair portion of that 200-and-some-odd-thousand dollars into corporate management. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Kennedy. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Back to my original question, I think they did answer it, but answered it to Mr. Miltenberger. The first response that I received to the increase of \$2 million from the revised 1999-2000 main estimates to the main estimates for 2000-2001, I was told a pension adjustment of \$1.1 million and, \$1.3 million a transfer of ongoing maintenance, I believe Mr. Kennedy answered to my colleague Mr. Miltenberger that it was a \$1.3 million pension adjustment and some \$700,000 in salary changes. Is that correct?

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. There would be probably four areas that would result in the difference of roughly \$2.5 million from main estimates to main estimates. One is the pension adjustment, which is roughly \$1.1 million. The salaries were under-funded, in that there were more positions and more salaries, so an adjustment was made there. There was, for information systems, a \$196,000 adjustment that is in there. The Mackenzie Valley project, \$217,000, making up that \$2.5 million difference. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Again, I guess for clarification, I am using, as Mr. Miltenberger was, the revised main estimates. The revised estimates are the ones that had approval. The changes had approval through supps and so on. That is the area we are using. I do not want to rehash what happened last year, especially if it has already gone through the previous Assembly.

What I am interested in are the changes from what was revised, the finished numbers, or the numbers that are more clear with previous changes already going through supps, to what is now.

Now that we have that, hopefully we are clear where I am coming from on this one. The Minister stated that around \$700,000 was in the area of under-funded positions. Can he elaborate more on that area of under-funded positions?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. There are a number of positions in there. I might add that the department makes adjustments as well, within the limits that are available to them, to move money around. Not everything in the revised main estimates will be exactly the total of supps and so on that are approved through that process.

In terms of salaries, there was a shortfall on casual salaries. There was a shortfall on information systems. Most of that \$196,000 is a result of salary shortfalls. On the Mackenzie Valley, there is a position there as well. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The Minister just made a statement, moving around positions within the allowable limits. Can he expand on that? What areas of transfer have happened? What is the limit? Are we talking about a \$250,000 amount? Can he expand on that? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. There is no set dollar amount that can be transferred by the department or by the Minister within the department. There is no \$250,000 limit, or anything like that. As long as the transfers are within the mandate of the department, there can be money moved. That is why it is difficult to list everything in this revised estimate for you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can the Minister state that there is no requirement to inform the committee and Members of the Assembly of any shift over \$250,000 within the department? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, there is no limit, as I said. Anything over \$250,000 is reported through the Financial Management Board Secretariat. The Members do have access to those. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can the Minister inform us how, with the Financial Management Board Secretariat, how does that get back to Members? Is it particular funding that is changed, capital or O and M from a community, or does it go back to the committee?

My understanding as a Member of the previous Assembly, \$250,000, if a figure was moved from anywhere, even if it was from within the same department, the committee had to be informed about this, resulting from a motion of the 13th Assembly. Has that changed? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. The rules have changed, if I remember correctly, within the last year, year and a half, possibly two years. It used to be that there was a requirement for approval from the Financial Management Board for those interactivity transfers. Now it has changed to being a requirement to report them. Then there is a report on the interactivity transfers.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can the Minister provide us with the information he has regarding all of the changes that have occurred? He has definitely sparked my

interest in all of the interactivity changes that have happened, in light of the rules that, according to the Minister, have been changed. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we can provide...are you asking for all of the transfers or all of the transfers over \$250,000? If you want all of the transfers, it may take us a couple of days to do it. The others are reported by FMBS.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I am requesting the Minister provide all Members with a breakdown of the difference between the amount shown and the revised main estimates, the amount of \$3,814,000, as revised in the actual amount spent. Can he provide that information?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, yes, we will provide that.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. We are dealing with corporate management, operations and expenses. General comments or questions? Corporate management, operations and expenses, total operations and expenses, \$11,796,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, for process here, we are going to wait for some information regarding the revised main estimates and the changes. I just want information now. I know the actual call for agreement is the actual numbers. By moving on from this stage, does that mean I cannot return to this issue when we receive the information?

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. We can approve it as is, or we can defer this matter and have it come back for debate once you receive the information. In order to do that, you need to move a motion to defer. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I move that we defer approval of page 11-9 until we have the information the Minister has agreed to provide.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. I believe your motion is out of order. You have to have a motion based on what we are dealing with under corporate management. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I move that the activity, corporate management, under the Department of Resources, Wildlife and Economic Development in the 2000-2001 main estimates, be deferred at this time.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. Your motion is in order. We do have to get copies made, so we will take a short break and come back to vote on the motion.

-- Break

CHAIRMAN (Mr. Krutko): I will call the committee back to order. Can you read your motion for the record, Mr. Roland.

Committee Motion 6-14(3): To Defer Activity, Corporate Management, RWED (Carried)

MR. ROLAND: Thank you, Mr. Chairman. I move that activity, corporate management, under the Department of Resources, Wildlife and Economic Development and of 2000-2001 Main Estimates be deferred at this time. Thank you.

CHAIRMAN (Mr. Krutko): The motion is in order. The motion is not debatable. All those in favour? All those opposed? The motion is carried.

We are deferring corporate management and we will move on to page 11-13, environmental protection. Total operation expenses, \$1.951 million. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I am wondering if this is the activity that would tie into the environmental situation out at Giant. I was wondering if we could get an update on what is happening in terms of the clean-up at Giant. I remember reading in the media that there were to be less federal funds available in the next fiscal year for that clean-up. I would like to find out from the department what is happening in terms of clean-up and how we are coordinating with the federal government on that issue?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I will ask the deputy minister to give us details. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Bob McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. With regard to the Giant Mine clean-up, last year when the issue came up, the Government of the Northwest Territories took the position that the liabilities would be set aside and we would work with the federal government on the clean-up issue.

Last year the federal government spent about half a million on clean-up. This year, the Government of the Northwest Territories has worked with the federal government to develop a work plan for clean-up for the year 2000-2001. The Government of the Northwest Territories has committed \$285,000 this year, and the federal government is expected to contribute \$755,000 for clean-up at the Giant Mine site.

Right now, Indian and Northern Affairs Canada have not allocated a budget because of internal budget issues that they are working on. However, we have been working together on a plan and expect that the work will continue as we have worked together in the past. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. McLeod. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. The deputy minister has said that a work plan had been developed. That is, the work plan has been developed for the next year and between the two governments there is a plan to spend just over \$1 million? Is it expected that in future years, the spending will be in the same relationship? It looks like just over two-thirds, one-third split.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, one major issue that needs to be resolved is the whole question of liability. Even

though the liability issue is set aside this year, the intention is to resolve that issue. Then the two governments would each be responsible for their share, depending upon liability, and how that question is answered, so it could be quite different. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Going back to my question about the work plan, has it been developed? If so, over what period of time does it see the clean-up of Giant Mine taking place?

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chairman. The work plan, which is a preliminary work plan, was developed over a period of three years. What is required is an in-depth, on-site inspection, which would come up with some very hard costs as to the clean-up. Initially, the work plan has been developed for a three year period. The costs for next year are starting to be significant, so the expectation is that the liability question would be addressed sometime this year. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. The deputy minister has said that there is a three year work plan in place. I take it that the three year plan is to develop the long term plan for the clean-up. Is there any estimate yet how many years it will take to resolve the environmental liability at Giant Mine?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. There are two factors that come into play here, one is specifically with how they are going to remove the arsenic trioxide from underground. I do not think they have come to a firm conclusion on that. That is one issue that has to be resolved.

The second is the amount of money. The surface alone is about \$16 million and the underground is going to be a lot more than that, probably in the neighbourhood of \$200-250 million. Again, it is very difficult to estimate how long this whole clean-up is going to take. There is no doubt in my mind it is going to be five years or more. That is a guess, not knowing what the research is telling us, particularly for the underground. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am assuming that the Minister is meaning five years in addition to the three years that it is taking to develop the plan, so we are hoping to see things cleaned up within the next eight years.

Could the Minister advise us what are the plans to involve the public in developing this work plan, to make sure that there is public understanding and support for whatever process is proposed?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. When I say an additional five years, that is my best guess. In answer to the question, in terms of consultation, there will definitely have to be a fairly wide and thorough consultation on whatever

processes are used for the clean-up. The Department of Indian and Northern Affairs are leading that responsibility.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I firmly believe that the federal government should carry the lead on this. To my mind, they have the biggest liability and therefore should be paying the biggest cost. Since I know the Government of the Northwest Territories is at the table and working on this work plan with them, I hope there will be some advice given to our people at the table to ensure that they work with the federal government to make sure that the public is involved and feel as if they have been consulted in a meaningful way. Otherwise, we could wind up with the whole project stalled as people challenge the process and whether or not it is safe or whether or not it is acceptable. I really think that it is essential to get the public involved early on.

Perhaps I could ask if we could get a bit of an update on what is happening with the clean-up at Colomac this year?

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. My understanding is that at Colomac, they are having the same problem this year as they did in previous years, where the water is causing the tailings pond to overflow. The federal government has had to undertake a program either of diverting the water or ensuring that the tailings ponds are not breached. This is work that has been undertaken by contracting with the local band development corporation. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I just wanted to add the Colomac clean-up is completely the federal government's responsibility. We have no responsibility. Our interest in that is just monitoring it in terms of environmental protection. We have no direct liability on that one.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I just wanted to make a comment about some of the energy issues that I see in this activity, when we get into the program detail. I notice there has been a reduction in the amount we are spending on energy conservation, energy management, the contribution to the Arctic Energy Alliance, while it is not significant... I just wanted to raise the issue that given the rise in the cost of oil lately, this may be not the best way to go. We should be looking at increasing our expenditures in the area of environmental protection, in order to ensure that we are getting some good plans for how to save energy that this government can then find a way to spend more economically in using its energy. This is more of a comment than anything else, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Yes, the adjustments are small and there is not any major reason for the change other than putting the business plans together and balancing the budget for the department. The Member's advice is appreciated. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I would like to follow up on the questioning by Mr. Dent on the Royal Oak issue. Specifically on the concern that seems to be raised by some of the recent media coverage, that there is a bit of a stall or hang up on some of the work. Especially, Mr. Chairman, in relation to design and research going into the cleaning up of the arsenic problem at the mine.

I think there is a tendency in these big snarling issues to look after the easy and the quickly done parts of a project. We have seen some of that in the way of highway reconstruction that has gone on in the Northwest Territories. We heard about it this afternoon with land claim negotiations. The tough ones are left to the last, and they then become the most difficult issues to handle, Mr. Chairman, and often the ones that do not have the resources left to adequately do a good job.

Could the Minister give us any assurance that the biggest and the worst problem with the Royal Oak clean-up, namely the arsenic problem, is continuing to receive priority attention? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Our department continues to participate on the working committees that are dealing with this issue. The underground clean-up of the arsenic is clearly DIAND's responsibility. We continue to press them not to delay on this. We have had a fair bit of concern about the recent reluctance on their part to allocate a budget and get on with things. The fact is that they are falling behind in some of the work from last year.

Recently, the deputy minister has sent a letter to DIAND encouraging them to allocate the money and get on with the assessment and the surface clean-up and keep this on schedule. I think we are as concerned as many people are in the territories that this thing might start to slide. We do not want to see that happen either. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Thank you, Mr. Handley, for that answer. Of course, the Royal Oak, or the impact of Giant Mine on the Yellowknife area is not the only impact of mining. We have 65 years of accumulated impact on the region, and there is already a substantial body of work regarding the impact of mining and the pollution on other areas around the city, specifically Rat Lake and Kam Lake.

What kind of activity can the Minister tell us about in terms of resolving the extent of that pollution and at what point and in what areas can remediation or management be looked at? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the hazardous stuff that has been buried around the city or near the mines is of concern to all of us. I have been at a meeting with the city to discuss the issue, with regard to some tailings and so on, more related to Con Mine. I know the department has and continues to meet with the city and with DIAND on it.

Again, it is one of those things that are not our direct responsibility, but we are at the table and urging that there not be a delay in the clean-up of all of those sites around the city,

and there are a number of them. Some of them are quite old, but the laws were different then, and we are living with it now. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I would also like to look at, as my colleague Mr. Dent did, the energy side of the portfolio. As we continue to look in some surprise, if not shock and horror, at the rising cost of petroleum products and how it is going to impact our lifestyle, or the stability and security of the way we want and hope to continue to do business, what can the Minister tell us about the government's priority for an overall energy strategy for the Northwest Territories? I would like to see if we can encompass not only the Government of the NWT and where it impacts us, but industry, communities and all sectors of the Northwest Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the department does place a high priority on energy management and energy conservation measures. We have, up until now, been focusing on the Greenhouse Gas Strategy as being a key one that will fit in with a national strategy, for a couple of reasons.

One is that there is funding that may become available to us to help do some more specific things in terms of our own strategy to come through the national office on climate change. So we are very involved with that. We realize that we need a more comprehensive energy strategy as well, and I think it is only workload that is preventing us from moving ahead more rapidly on it.

Instead of being involved in that one directly, we have continued to support the Energy Alliance. We were involved in starting it. We continue to support it with \$190,000 a year, and we participate on the steering committee for it. So we are using that as the main vehicle for trying out some innovative ideas.

In addition, I have asked the department to look into the viability of things like the installation of solar panels or solar walls on buildings. We need to look at the viability of running programs for private individuals or having solar walls on institutions. So there are a number of individual things we are doing.

Putting it all together into one energy strategy is important and it is only workload that is preventing that from happening. We have so many things on the go right now. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I would like to press the Minister on the idea, the initiative, of a comprehensive energy strategy. I, as much as anybody around the Assembly, appreciate the workload and the number of agendas that we already have on our plate. However, Mr. Chairman, I do not see that as a reason to avoid or defer making some planning. Even if it is an initiative that we cannot engage in right away, or perhaps see results within the next few months, I believe it is something that we should attach a strong profile to, a strong priority to.

I would ask the Minister if he might consider putting together a framework that would suggest how this could be put together,

and a reasonable timeframe in accordance with all the other things that are going on, that says when this could be started? How long it could take to happen? We are here for another three years in this Assembly, and of course there will be another government after us. These kind of things I think can and should be engaged in, with a lot of time to make sure a good job is done.

Can the Minister take a look at that kind of an approach?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, yes, we can certainly do it well within the life of this government, and much earlier than that in my view. We will finish the climate change, or Greenhouse Gas Strategy, this fall. That one takes into consideration measures relating to the use of fossil fuels and other energy conservation ideas. That one is being done with a collaborative partnership approach of all stakeholders.

So I think that one alone will be a big piece of our comprehensive strategy. We could put together a framework over the next few months. As we develop an energy strategy, I think it is really essential that we do it in partnership with all the stakeholders. So I would say, again, estimating a year and a half to two years to complete a comprehensive strategy that we have buy-in from most of the stakeholders on. Thank you.

CHAIRMAN (Mr. Krutko): Next on the list, I have Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would just like to pursue the same line of questioning initiated by my colleague, Mr. Braden, in regard to the Energy Strategy and the very pressing nature of this. I think oil is now up to \$32 a barrel. I indicated Friday, that according to the Energy Alliance, we are spending, as a Territory, \$270 million on energy, 18 percent of our gross domestic product. We also experienced, according to their estimates, about \$130 million of that economic leakage south.

Mr. Chairman, I am interested in pursuing with the Minister ways that we can proceed on this, that are not going to overburden, as he indicates, an already overburdened bureaucracy. There are some key components I talked about previously that are already underway.

The Energy Alliance targeted energy efficiency, energy supply options, Greenhouse Gas Emissions Strategy and a policy and regulatory framework as the four key areas. We are already doing two.

Tied into that regulatory and policy framework, of course, is the whole, complex issue of subsidies. I would like to ask the Minister whether he would consider, since he sees the Arctic Energy Alliance as the natural vehicle for this, tasking them to come up with a discussion paper about how we can kick start this process. The one in the Yukon took two years from start to finish with the consultation and the public input and the amount of work that was done. We are already six months into our term and, like Mr. Braden, I am very concerned that we cannot afford not to do this.

Our budget is being impacted as we speak, just with the cost of utilities and energy cost going up as the price of oil rises. By winter, we are going to be in, I would think, some serious program problems trying to meet all these O and M costs.

Would the Minister consider, in order to get this process initiated, having his deputy meet with the other members of the Arctic Energy Alliance about coming up with a working paper to get us started?

I have already talked with the Chairman of the NTPC Board, and he as well shares the concern of the need for a broad energy strategy. I think there is a lot of interest. It is just a matter of getting the instruction and direction to start making things happen. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman, I think the advice is good and certainly we will talk with the Arctic Energy Alliance about doing it. If they cannot, then, as quickly as we are able to within the department, we will do it ourselves, or it may be necessary to even have it contracted out somehow. I agree with the Member that this is a crucial area and we need to get on with it. Thank you.

CHAIRMAN (Mr. Lafferty): General comments. Total operations expense, \$1,951,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. My question is in the area of the environmental protection on the issues that are coming to the forefront at Royal Oak. In regard to the possibility of a clean-up, we are talking some \$250 million. We have a situation where we are finding traces of water contamination in our communities. We have had a national incident in Ontario, in regard to Walkerton.

I am just wondering if we, as a government, really have the resources or the ability to take on these large costs associated with clean-up. Also, the possibility of monitoring the environment so that we can safeguard the public, ensuring that they are secure with the different contaminants that are around us?

I am just wondering, can the Minister tell me if they do have an actual cost of what this government is going to have to face on the clean-up of Giant Mine? How much of that \$200-and-odd-million, is our responsibility?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, none of the cost of the underground clean-up, which is the most expensive, that is what I refer to as \$200 to \$250 million, none of that is the Government of the Northwest Territories' responsibility.

On the surface, anything that is covered through the water license is federal responsibility. So the only thing that we would be responsible for would be whatever is not covered by the water license.

The clean-up on the surface is estimated at \$16 million. I expect our share is going to be less than half of that, since the biggest cost is going to be the tailings ponds, which are covered through the water license.

Do we have the money to be able to do it? I think we will have to find the money to do it when the time comes. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. My question is about the environmental side when it comes to water contamination. In my riding, there have been traces of THMs in the drinking water of the community. There were alerts given by the Department of Health and Social Services. What role does the environmental protection group play with the environmental health people when you have situations like the THM problem in Fort McPherson?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the responsibility for water issues rests with the federal government. When it comes to water quality, then our department, through environmental protection, monitors the water quality. It is not directly our responsibility. The provision of clean water to homes does fit within Health and Social Services' responsibilities. This is largely still a federal responsibility. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Under other expenses, \$465,000, there is almost a \$300,000 difference from the revised estimates of \$165,000. Why is that difference there?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. The difference here is related to the way we account for tangible capital assets. There were a number of smaller, under \$50,000 capital projects that became O and M and have gone into this category. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Can the Minister give us a list or an idea as to how many items he is talking about?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, there are 16 different projects that were included in the capital program in the past. These are situations where we provide support to companies and institutions to take energy conservation measures. In the past, they were included in our capital. Now, because of the size of them, they are included in O and M. For example, there is a domestic hot water heating system in Yellowknife. There is restaurant equipment. There is a heating system for the Anglican Church and rectory in Inuvik. There are heat recovery units at Sir John Franklin. I could read the whole page, Mr. Chairman, or we can just provide the list of projects that have been provided.

CHAIRMAN (Mr. Lafferty): I think Mr. Krutko can answer that.

MR. KRUTKO: Thank you, Mr. Chairman. If the Minister can provide that to the Members, it should suffice.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Questions or comments? Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I have a question regarding how the money has been allocated. You mentioned there are funds given to different interest groups. Is this done on a first come, first served basis, or is this just direct funding?

Is there any call for proposals? The point I am trying to make is the whole question about sole-sourced contracts, or people accessing funds where other people might not know about them or have access to apply for the funds.

I would like to know if there is a process for allocating these grants. Were they done in an open fashion where people had an opportunity to apply for these dollars?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, there is only a limited amount of money available under this program. This year it is \$364,000. We do circulate and provide to everybody, all the regions, the Energy Conservation Program Guidelines. That document goes out to everyone. From then on, it becomes a matter of individuals or companies who are interested putting in an application. Some years, we run out of money before it is all spent. I expect in the future, as there is more interest in this, that will be the case.

So far, it has been on an application basis, depending on people's interest. Thank you.

CHAIRMAN (Mr. Lafferty): Questions or comments? Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In grants and contributions, I was talking about the area of other expenditures, but the list you mentioned, the document you showed, was that for the grants and contributions, \$554,000?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the \$554,000 on grants and contributions the Member is referring to is made up of \$364,000 I referred to for energy conservation, plus \$190,000, which is a grant to the Energy Alliance. Thank you.

CHAIRMAN (Mr. Lafferty): Questions or comments? Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I would like to move we report progress.

CHAIRMAN (Mr. Lafferty): We have a motion to report progress. All those in favour? All those opposed? The motion is defeated. Total operations and expenses, \$1,951,000. Questions or comments? Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I would like to ask the Minister when we will be getting that list of the items he mentioned under other expenses. There were 16 items.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I have a copy of it here. It is just a matter of making copies for the Members. In addition to this, we have the contribution to the Energy Alliance. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I was hoping we could get that list before we finish the review of this department.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. The copies will be made. We are on environmental protection, operations expense, total operations expense, \$1,951,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you. Page 11-15, environmental protection, grants and contributions, contributions, \$554,000, total contributions, \$554,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Just for clarification, regarding the Arctic Energy Alliance, are they on a sole-source contract basis? The \$190,000, is that a direct contract for services, or was this a negotiated contract?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, The Energy Alliance is a non-profit, cooperative venture between RWED, Housing Corporation, Power Corporation and a number of other partners in it, most of whom make some contribution. The \$190,000 is our contribution. The purpose of the Energy Conservation is to bring many other stakeholders into the consultation that goes on. It is a cooperative venture among a number of government departments and other groups. It is not a contract in the same sense we would have a contract for hauling gravel. This is a non-profit group whose mandate is the promotion of energy conservation and good practices in that area. The \$190,000 is RWED's share. The only negotiation is with our other partners. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. So it is not a contract. Is there any documentation on exactly how this money is going to be spent? What is the reporting mechanism? As part of the \$190,000, what do we get for that?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we give a contribution. There is a contribution agreement that spells out the terms. The partners in the Energy Alliance meet on a regular basis to review the business plans. The Energy Alliance does prepare business plans, the same as a government department would. They report annually to the steering committee, the partners, on what their activities are, what their priorities are and how the money is being spent. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, can the Minister give us a list or breakdown of who is partaking in the alliance? You mentioned yourself, the Housing Corporation...are the people from the manufacturer associations involved? Are there private sector involved in this? Can you give us a breakdown of who is involved in the alliance? Does that also include the people from the private sector, such as industry and the aboriginal organizations?

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, the funding partners, the ones who have a dollar commitment with the Energy Alliance include Resources, Wildlife and Economic Development, Public Works and Services, the Northwest Territories Power Corporation, the Northwest Territories Housing Corporation, and Municipal and Community Affairs. As well, there are other individuals and representatives of various groups who sit on it. I believe that the Northern Manufacturer's Association is one of them. There are also individuals who have an interest who are on the committees. There is environmental group representation on it as well, but those are not funding partners. Thank you.

CHAIRMAN (Mr. Lafferty): We are on Environmental protection, grants and contributions \$554,000. Total contributions, \$554,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Agreed.

Resource, management and economic development, operations expense, total operations expense, \$32.212 million. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I am aware that there was some work done on behalf of the Department of Resources, Wildlife and Economic Development in 1997 that looked at their structures. There were some recommendations done that looked at the different areas of business which Resources, Wildlife and Economic Development is involved in. For example, the Business Credit Corporation, the Northwest Territories Development Corporation, the community futures organizations, are a number of areas that Resources, Wildlife and Economic Development is involved with that are outside the department.

The department itself also has some lending authority to small businesses in the communities and regions. I know that there is work done and recommendations done, but to date we have not seen changes. I would like to know from the Minister, what work is being done to streamline the activities of the department, where there are a number of duplications and inefficiencies when it comes to the lending of money and the reporting and the different roles that the department is involved with? Can the Minister inform us as to any changes that have gone on? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, we are very aware of the concern the Member has expressed. I am looking at the feasibility of having a more co-ordinated effort, or possibly just one window for some of the major pieces within the department's responsibility that loan money or give grants and so on. These include the Business Credit Corporation, the community economic development services, as well as some of our own business development funds that we manage through the department.

This exercise is in its preliminary stages, I have met with the board of the Northwest Territories Development Corporation. I still have to meet with the board of the Business Credit Corporation and certainly want to do this in collaboration with the various boards that are established to support these services.

Mr. Chairman, again, it is one of these exercises that, while it is a priority, there just simply has not been time in the last five months to be able to report substantial progress in putting these various initiatives together. It is going to be a process that is going to be undertaken over the next few months and probably over the next year.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the Business Credit Corporation was initially to have been a Crown corporation. One of the concerns out of this report was that you would feel that as a Crown corporation, it would be at an arms length from the Government of the Northwest Territories, but in fact it is rather closely linked. Has there been any change since then? I understand that as the 14th Assembly, we have only been in operation since mid-January. However, the fact is that there has been a report that has been in the hands of the department since 1997, so have there been some changes to try and remedy the concerns that were listed or implement some of the recommendations? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, the Business Credit Corporation is managed by a director who reports to a board. The board is appointed by the Minister and is representative of most, if not all, of the regions in the Territory. The department only provides administrative support to the Business Credit Corporation. The direction the board takes is set in the Business Credit Corporation Act, though it is to some extent more at arms length than what it might appear, because of the administrative support that is provided through the department.

Rather than going and trying to improve each of these entities on their own, my intention is to review all of our loans, grants, and contributions, and come up with a vehicle or vehicles that meet our needs. I am not going to undertake an exercise now to try and improve the Business Credit Corporation. I think we have to look at the whole picture instead. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I agree, and the Minister stated when we were reviewing this in committee that there was work to be done in this area. But I go back to the fact that this has been in the department's hands since 1997. Recommendations were made, one of the big ones, and this was prior to division, that the work that was going on up to division was to set up one agency that would take care of this. So is the Minister saying that we are going to start looking at it now, and work to having that as a goal to be achieved in the near future?

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can the Minister inform us again, I know that he mentioned some timelines earlier, can you give us some timelines, just for clarification, as to when we might see a model coming forward on this? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, as I said earlier, I have not met with all of the boards that are responsible for the different functions. I would like to do that first before setting very tight timeframes as to when we will bring a report back to the Ordinary Members or the committees.

I hope to have a model put together, or at least options, within a year. My guess is that it may even be possible to do that sooner, but I have to talk to the boards first. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman. The Minister stated that he would be looking at bringing some models forward or work on a model. Will he in fact be using the recommendation that was brought forward in this report to the department? Stating the one agency and possible methods, talking to the community futures organization have a good set up, to deal with the communities and regions who have a better knowledge of that.

Although they are lending to them, it is quite low that some of the changes that could be made. Is he referring to something of this nature, or at least, using the starting point of this report that was done and going from there? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman. I think the report will be a good beginning for us in looking at the issue. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The Minister stated he would be reviewing this and going forward with this and meeting other groups. Do we have some timelines, six months, eight months, after the year 2001? We are talking about being accountable here, setting some guidelines for ourselves, and measuring our achievements as well. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, as I mentioned, I have met with the board from the Northwest Territories Development Corporation. I am meeting with the board for the Business Credit Corporation in early July. The other main boards we are working with are the Community Futures Boards. The department has, over the past couple of years, been trying to integrate the Business Credit Corporation and Community Futures more closely together. At the same time as we are doing that, we are also doing a review of our grants and contributions to hunters and trappers and the various other little pots of money that we have in the department.

The work plan right now is we are aiming, and maybe somewhat optimistically, at April 1st, but I do not want to make a firm commitment that by then we will have the report, because there are a lot of unknowns in this exercise. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. With the report that was done, and I am sure that there has been other work done from the department over the years, there has been a

continuous concern raised about the lending institutions we seem to have within our own system.

In light of the reductions that have happened and comments being made in communities, sometimes we are paying more in salaries than we are able to give out in grants and contributions or loans. Hopefully, there will be some significant emphasis put on this to move forward in a timely manner. Judging from the report, there are a number of concerns that need to be dealt with in the very near future. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: It is a complicated matter and a lot of concerns have to be brought forward. Just for clarification, there are only three sources of borrowing, other than that we do have lot of grants and contributions programs. Two of those sources of borrowing are in Resources, Wildlife and Economic Development, and the other one is with the Northwest Territories Development Corporation. People can only get loans from the Business Credit Corporation or from Community Futures Organizations. Then, with the Northwest Territories Development Corporation, the corporation will, in a sense, loan money by buying into or taking preferred shares in a venture. Other than that, it is grants and contributions that are provided, whether it is through BDF or hunters and trappers or other avenues that we have.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Just looking at the price and expenses compensation benefits, it is almost a \$1 million increase from 1999-2000 to this budget. Then you look at other expenses, it is \$8,505,000, which is again almost another million dollar increase from the 1999-2000 main estimates. Could the Minister give us a general breakdown as to why there have been increases in those two areas? Thank you.

CHAIRMAN (Mr. Lafferty): Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, I will explain how roughly a million dollars is arrived at. It is through salaries and wages. With the development planning for the Liard and Mackenzie Valley, there is \$232,000 that appears in here. The other balance went into corporate management. There were two reallocations, one for \$218,000 and the other one for \$486,000 for salaries, wages and O and M.

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

MR. KRUTKO: Thank you, Mr. Chairman. Could you give us a break down on the \$286,000 O and M? You said it was a transfer. Can you elaborate on that?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, it was \$486,000, not \$286,000. That money is for casual wages. There are literally hundreds of casual employees who work in the department over the year. That is driven by work load. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Are casual employees seasonal employees?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, it is a combination of things. Some of it is seasonal, some of it is summer students, and some of it is other casuals that we have hired over the year.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Regarding the casual employees, I mentioned about the earlier reports, the number of vacancies in the government, but you are saying you had an increase of \$500,000 for casual employees. Why was there a need to have that many positions, considering the number of vacancies that are in this department? The majority of them are seasonal positions.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, when we look at vacancies within the department, the department has roughly 400 employees. Our vacancy is roughly, and it varies from day to day, but roughly 60 vacant positions. Some of them are full-time vacancies, roughly half, 30 to 32. At any given time, you will find that many vacancies in a department. The others are seasonal. That can vary considerably.

In May, we had 32 seasonal vacancies and 34 full-time vacant positions. That varies. I do not think we have 32 seasonals anymore, given the fire programs and so on. Over any period of time, we have roughly eight or nine percent vacancy out of 421 full-time employees. Even that does not give us the flexibility to be able to fund all of our casual salaries from any savings that might result from vacancies. There has been a need, because of workload, to meet our mandate, and also things like student employment. There has been a need for additional money to be allocated to casual wages. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Could the Minister elaborate a little more on the \$218,000, and also I believe there was \$230,000 you had mentioned, of other expenditures.?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the \$232,000 I made reference to is for the petroleum advisor positions we have in the regions. The \$218,000 is a reallocation for full-time salaries that are permanent position salaries we have in the department. It is just a matter of reallocating where our salary dollars are.

I might add, Mr. Chairman, that we have 66 summer students working in the department this year. That accounts for part of it. We feel it is a good expenditure. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Under other expenses, there is also an increase there from the 1999-2000 main estimates to 2000-2001, which is almost \$1 million. Could the Minister elaborate on the million dollar increase in other expenses?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I will ask Jim Kennedy to explain.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Kennedy.

MR. KENNEDY: Thank you, Mr. Chairman. In terms of that total activity, as the Minister mentioned, some money came in both in salaries and O and M for the Liard-Mackenzie. Plus, the Development Corporation funding was reduced. Some of that money was a result of this particular activity was under-funded, so \$641,000 was transferred in from the Development Corporation funding. There was another reallocation of \$139,000 in O and M. That is approximately the \$1 million the Member is referring to. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Kennedy. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, with this \$631,000, the budget does not really reflect it, but there have been dollars taken out of the Business Development Corporation and put into the Community Futures Program, where it was transferred...it states there is \$270,000, or \$2.2 million. Where the previous years, it was \$400,000 and something. Yet a lot of that money went to these different regional business associations. I am just wondering, out of that \$631,000, how is it broken down? By region or by different communities?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, some of it is broken down by region. Some of it is broken down by activity. There are some things we had to fund. For example, after division, we had Holman Island, which became part of the Inuvik Region. We needed money for both the cost of an operation there, plus we needed money on polar bear research.

There are other adjustments that have been made, depending on where we had to put our priorities. Post-division, there were a number of these done in order to meet the ongoing demands we have in various areas. Holman Island took up a big piece of it. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Questions or comments? Operations expense. Mr. Delorey,

MR. DELOREY: Thank you, Mr. Chairman. I was wondering about the Business Development Fund, is there any money left in that fund? Is there still money there to borrow?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the total amount in that fund is \$2.3 million. The money is divided up by region. It does not leave very much in any region. It leaves two or three hundred thousand in each of the regions. Probably by this time, a good chunk of it is already spoken for. It is one of the reasons why we need to have an economic development agreement, in order to boost that up. Two, three, four hundred thousand is not very much to provide business support. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Mr. Chairman, is there any money being received back to the government from this fund that has been going out? If there is, where does that money go?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the BDF money is contributions. It is contributions for businesses for doing feasibility studies of it, new business expansions, and so on. Being a contribution, it is not repayable to us, so we do not show any revenue back.

As I said before, the only place we make loans from are through the Business Credit Corporation or Community Futures. The rest of it is contributions. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Is there any attempt by the department to spread this money out evenly in the regions or the communities to help with businesses? Is there any attempt at all to do that?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, what the department does is allocate \$350,000 initially to each of the regions. There are, for this purpose, five regions: the North Slave, the South Slave, Deh Cho, Inuvik and Sahtu. Each of those gets \$350,000. There is \$579,000 that is held in headquarters. Then it is reallocated depending on demand and interest. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: What I am asking is, I was looking at the Business Development Fund from April, 1998, to March 31st, 1999. Out of a total appropriation of \$9,390,000, Hay River received \$326,000, and more than half of that was to the fishing industry. That does not seem like a very fair distribution of funds, as far as promoting business across the Northwest Territories.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there is a separate fund of \$390,000, which is above the BDF money. That goes to support commercial fishing. That money is in addition to the \$2.3 million for business development. So in the South Slave, for example, there is \$390,000 for commercial fishermen and \$350,000 for business development, which is separate.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: In a different area, I had been talking earlier this year about agriculture, and agriculture at least got a mention in the budget speech and in the Common Ground document. Is there any money at all specifically earmarked for agriculture this year?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there is some money in the South Slave region that is earmarked for it, but it is the only region that has any money right now. The intention of the department during this year is to work with some of the municipal areas to help them put together their agricultural policies and their proposals.

Other than a small amount in the South Slave, there is no other agriculture money identified in the department. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Going back to that Business Development Fund for a minute, the amounts I was referring to were the amounts that we put out through the fund from April 1, 1998, to March 31, 1999. It does not seem to be any kind of split, or any fairness in where the money goes. I know from the area I come from, there have been a lot of people complaining they could not get any money. I do not think it is a matter of them not applying. I am just wondering why so little amount of funds went to that area. If that same split is used, out of the \$2 million that is left, I do not see Hay River getting much of that for any business there that would be interested in getting money.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the total BDF is \$2.3 million. That is divided up into \$350,000 for each of the five regions. I am not sure the report that you were looking at before... are you mixing up the Business Credit Corporation loans? Is that the report that you are looking at?

CHAIRMAN (Mr. Lafferty): Please go through the Chair, Mr. Handley.

HON. JOE HANDLEY: Yes. Mr. Chairman. The BDF money is divided equally between each of the regions, \$350,000 to each region. Then there is \$579,000 that is held in headquarters. That \$579,000 is reallocated, depending on demand and interest. So each is entitled to a fair share with the balance being given to regions who are seeing more activity, as some additional support. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I am referring to Tabled Document 12-14(2), tabled on February 24th, 2000. The amount I am referring to is the total approved in that report, \$9,390,310, in the Business Development Fund.

CHAIRMAN (Mr. Lafferty): Mr. Handley, do you wish to answer that?

HON. JOE HANDLEY: Mr. Chairman, I think that we are just getting a little confused. The report the Member is looking at is for 1998-1999, I believe that would have been the last year of the Northern Employment Strategy money, when there was

considerably more money. There was a major reduction the following year.

So in terms of the grants that were made out, then those would be based on applications received. If it is lower in one region than another, then I would guess that it is because there were fewer applications that were received or approved. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. The reason I was pointing it out is because the figures did not seem to have much fairness or give very much. In all fairness, I did not add up the other communities in it, but that seemed to be awfully low for Hay River.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Delorey. We are working with the 2000-2001 main estimates now, not the previous years. Do you wish to answer that last question, Mr. Handley?

HON. JOE HANDLEY: Mr. Chairman, I did not hear a question. It was just a comment. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you. Any further questions, Mr. Delorey? Mr. McLeod is next on the list.

MR. MCLEOD: Thank you. I want to ask a question regarding Kakisa and Tatlina Lakes. There has been commercial fishing going on, I believe since the 1960s. Over the last couple of years, there has been a real decline in the fish stocks. I understand there is a study to be conducted this summer. I was wondering if your department is involved with the study?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the study that is being undertaken is being done by the Department of Fisheries and Oceans, and we are not directly involved in it. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. MCLEOD: Thank you. I have a couple more questions. In the last couple of pages, we have heard the Mackenzie Valley development plan being referenced a couple times. I was just wondering if we could be provided with a comprehensive number. The budget for that project seems to be broken up in different areas. Can we get a summary of what it is costing?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the total number is \$727,000.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. MCLEOD: One final question. In reference to the BDF, I know the Chair has cautioned us about referencing documents, but I know in the past the program is supposed to be geared to three different levels of communities, level one, two and three.

My understanding is that level three communities did not qualify for BDF funding. Could I get clarification? Is that correct?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I will ask Mr. McLeod to answer that.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. The communities are rated on the basis of level one, two and three. My understanding is that the level three communities are granted the greatest amount of funding availability because of the fact that there is less equity required from businesses that apply in those levels of communities.

My understanding is that on the basis of applications, they can apply like everybody else. Last year, and the same as this year, the funding that was available for BDF was utilized quite soon in the fiscal year. We are facing the same problem this year, and we are looking to find ways to replenish those funds. Thank you.

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

MR. MCLEOD: Mr. Chairman, I did not hear an answer to my question about whether level one communities qualified for BDF funding.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

MR. BOB MCLEOD: My understanding is that they are eligible for funding like all the other communities. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. McLeod.

-- Laughter

MR. MCLEOD: Mr. Chairman, that was not my understanding. My understanding was that BDF communities were broken down to three levels, and level three communities would be eligible up to 70 percent, level two up to 30 percent and level one, zero. I wonder where I could get firm confirmation on that?

CHAIRMAN (Mr. Lafferty): Mr. McLeod, maybe the Minister can answer if they do qualify or they do not, whether they apply or not. Mr. Handley.

HON. JOE HANDLEY: No, Mr. Chairman, my recollection of the guidelines are that all levels of communities are eligible to apply, with the highest amount of assistance to level three communities, where the need is greatest, and the least amount of assistance going into level one communities. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. McLeod, I think they really did not answer your question.

-- Laughter

Mr. Dent.

MR. DENT: Mr. Chairman, I have some interest in the Business Development Fund as well. I just wondered if I could get an idea of what the difference is between small business grants and the BDF?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, small business grants are up to a maximum of \$5,000, and anything else over that is in a separate category. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. So things like the small business grants, the BDF, the commercial fisheries, diamond industry funding, community futures, are these all sort of the same pot of money? Does it take the same sort of process to apply for the funds? Is it the same group of people that make the decisions on whether or not the funding is to be provided?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there are guidelines for the small business grants. These are administered out of the regional offices, so anyone who is starting a small business can put in their application, and they can qualify for up to \$5,000 as a grant.

We go to, I am not sure if he said diamond contributions, but on those ones, those would go to a committee for assessment. The Business Development Fund, which is made up of a number of different programs, is also administered out of the regional offices and largely through economic development officers. There are a number of different categories and levels of support that are outlined in the guidelines for various levels of support. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. So basically, in the BDF, the contributions are decided out of the regional offices. What about the \$500,000 the Minister said was kept at the centre? Is that sent out of administrative discretion? Is the decision made by the regional offices on all of the money in this budget?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the initial allocation is \$350,000 per region, with a balance kept in headquarters. That balance is then, depending on need, reallocated to the regions, and they then make the decisions on how it is going to be spent. We do not administer an economic development fund program out of headquarters.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I noticed that last year, the amount of money in this program was cut in half from the year previous, and it has been left the same this year. I am just wondering if there has been any indication that this has made a difference to business development in the North.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, certainly the frustration level of businesses who want to apply and find out that there is not any money is higher now than it was before. We always have more applications, and I think practically in every region, than we do money. We have had to hold a fund in headquarters in order to reallocate it, because we cannot predict with 100 percent certainty where the demands are going to come from.

Clearly the amount that we have in each of these categories is not adequate, given the number of applications and good proposals that are received. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I would be interested in knowing what the criteria are for applications to be considered. I wonder if the Minister would share that with the members of this committee?

The reason I ask is that going through the annual report and the Business Development Fund recipients, you see a number of approvals and things like DDC got some money for travel expenses for a chiefs' meeting. It sounds to me like that should probably have been something that aboriginal affairs looked after, rather than it coming out of BDF. Or an airplane was chartered for people to attend a gospel festival. Again, I am having trouble understanding how that ties into a business development process.

I notice that there was a theatre project which was funded. Again, that sounds more like something Education, Culture and Employment should be doing through their grants programs for the arts.

I am just trying to get an idea of just how focused this program is. I really have to question that, given what I see in terms of some of the projects here.

Will the Minister undertake to provide members of this committee with a criteria? I certainly appreciate, with the three that I have just mentioned being provided with, an understanding of how they could qualify under those criteria? If that could be done, I would appreciate it.

I understand that will not happen today, but I would like it in the near future, Mr. Chairman, if possible, I would like it in writing. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we can provide a copy of the Business Development booklet, which includes a lot of guidelines and criteria for the various schedules within it. Then, if there is more information needed beyond that, we will be happy to provide it.

Some of the schedules are fairly open. For example, the Member referred to a chiefs' meeting. That is very possible, given the funding that is available for doing feasibility studies. We could fund a meeting of chiefs to look at a drilling program somewhere for gas, or a pipeline meeting. Some of those things could fit within the guidelines as well. We will provide the guidelines. Thank you.

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

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, in terms of the follow-up after the money has been handed to an applicant, is there any follow-up to see what the money has been spent on? For instance, for the chiefs' meeting, if it was a meeting on economic development, is there a report that comes back and says here is the result of that meeting and here is what we are going to do?

If you are looking at preparing blueprints, for instance, as I see is one of the projects here, do you actually take a look to see if the blueprints are done after the fact? Or is this once the group qualifies for the funding, they are free to spend the money and there is no follow-up?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, all contributions are accountable in the sense of having to show us that they had delivered what they had applied to do. As I mentioned before, some of the schedules are fairly wide open. There is one schedule called the community initiatives program that leaves the discretion largely to the community to determine what the initiatives that are approved might be. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Economic development, operations expense, total operations expense, \$32,212,000. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, earlier in my first line of questioning, the Minister stated there were only two organizations within government, and then there is the Development Corporation, that were lending agencies. Are there no regional staff involved in looking at loans and setting them up for small businesses? Everybody who goes through it would either go through the Community Futures Organization or go through the Business Credit Corporation and then outside the Development Corporation, if that were the case? So there is no RWED staff involved in loans and no dollars sitting at the regional or headquarters level that are loan situations? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there are only two vehicles for it. One of them is the BCC. The other one is Community Futures. The superintendents do assess loans on behalf of the BCC and Community Futures. They can approve some of them, but it all comes back to the BCC and Community Futures.

Under the BCC, the superintendents can approve up to \$200,000. Under Community Futures, up to \$75,000. Those are the only two programs within the department that make loans. The board has the authority to make loans from \$200,000 up to \$1 million. That is the same authority for the Minister. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. So staff, as you stated, are involved. A superintendent can actually authorize a loan that would fall under the Community Futures Organization, or even into the Business Credit Corporation? It just goes to show further that work needs to be done quickly to change the process that is there now. What is the purpose of the organizations if you already have staff who can do the lending, and are doing it on behalf of the organization?

Again, for clarification, there is no money out there that is within the bailiwick of the department, the Minister or his staff, whether it be the deputy minister or superintendents, that would qualify as lending money in their pot, besides that which has been allocated to the Community Futures Organization or the Business Credit Corporation? Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, that is correct. All of the money that comes as loans is either through the BCC or Community Futures. It may be administered by the superintendent because of emergencies, or something has to

be done quickly. Lending outside of that would be a personal loan. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. The Minister stated something about his staff giving personal loans. Can he further elaborate on that?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, that is totally at their discretion.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. I think I will pursue this one a little further. Would that not be a conflict of interest if you had staff doing personal loans to businesses, rather than the organizations you established? Or would you like to correct that statement? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, if the staff are doing that, I do not know about it. If someone wants to lend someone twenty dollars, that could happen. Would it be a conflict of interest if our staff started to run a lending program? Probably. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I would like to thank the Minister for that comment. I will save further questions until we get to grants and contributions.

CHAIRMAN (Mr. Lafferty): Resource management, economic development, operations expense, total operations expense, \$32,212,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Thank you. Page 11-19, resource management and economic development, grants and contributions, grants, \$678,000. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, I do not think we dealt with page 11-18.

CHAIRMAN (Mr. Lafferty): Ms. Lee, 11-17 and 11-18 are together. Do you wish to go back to 11-18? Does the committee agree to return to page 11-18?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, my apologies. I was waiting to get to page 11-18. I would just like to ask the Minister for a breakdown under parks and tourism. It states the main estimate for this year is \$4.5 million. I wonder if the Minister could break it down for us and state what portion of that goes to tourism.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, it will just take a second here to get the right page.

The breakdown is: parks and tourism, \$1,109,000; the contribution and service contract and so on to the NWT Arctic Tourism Association, \$921,000; then we have regional parks and tourism, which is \$2,470,000. Generally speaking, Mr. Chairman, the department spends approximately \$2.5 million on what you could call tourism, and about \$2 million of that ends up on the parks side, if that is what the Member is getting at. Thank you.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. On that last figure the Minister provided, on the \$2.5 million for tourism, is that where the grant for the Arctic Tourism comes out of?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we have it broken up into regional money. The \$2,470,000 goes out to all the regions. It is divided up among the regions. That is for both regional parks and tourism. The grant or contribution service contract and one salary of \$100,000 to the NWT Arctic Tourism Association comes out of the other \$2 million. The amount that is given to the Arctic Tourism Association is the \$921,000 we made reference to.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. As you can see, Mr. Chairman, this is a little bit confusing. I had heard this information in the committee process as well. Is the Minister saying that Arctic Tourism is getting \$921,000 plus \$100,000 for salary?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I will give you three figures. We make a contribution agreement of \$279,000 to the NWT Arctic Tourism. There is a service contract for marketing of \$542,000. There is an executive director's salary that we pay for, of \$100,000. That totals to \$921,000. Thank you.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, may I ask how much money the department has allocated as tourism...I guess we cannot break down tourism and parks because that is how the department is set, but may I have a breakdown on how much money goes to paying for the salaries and benefits and other related costs, such as office equipment, travel and so on, for the staff as opposed to actual tourism marketing as most people know it, as a fund that promotes and tries to create an identity for the Northwest Territories? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, again, we can easily break out parks and tourism except, roughly, \$2.5 million is allocated to tourism. Roughly \$2 million goes to parks. In salaries, a total for all of the salaries there is \$644,000 in headquarters. The balance, of roughly \$900,000, is for salaries in the regions. Now, there is a total amount for salaries of \$1,490,000.

It is very difficult, though, to breakout and say that the salaries are not marketing because some of the main responsibilities of these people is marketing, particularly in the regions. We have staff in Inuvik, Norman Wells and so on, whose jobs are marketing. That is what they do. Thank you.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Mr. Chairman, to go back to the figures that the Minister gave on the money that goes to the Northwest Territories Arctic Tourism. First of all, I would like to know if there is any distinction between Northwest Territories Arctic Tourism and Northwest Territories Tourism Association. Under grants and contributions, the only group we see is the Tourism Association. Could you answer that?

I am just wondering, on the contribution agreement and service contract, what other terms and conditions of this money... do they have any obligations that they have to follow when they spend this money in terms of how they spend it? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): That was two questions, Ms. Lee. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, there is only one Northwest Territories Arctic Tourism Association. We may call it the Tourism Association, but there is only one organization that we fund. They get \$100,000, which is for the executive director's salary and the benefits that go with it. So that is clearly for that.

There is a service contract that they have with us for marketing, which is \$542,000, and then, in addition to that, there is a contribution agreement for \$279,000, which is for the other sorts of activities that they are involved in, in addition to marketing. They have contracts. They have some staff costs and so on.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Mr. Chairman, I am aware of those figures. The Minister provided them to me earlier. I wrote it down, so I do not think I need that repeated. I want to know if there are any conditions to attach to how they spend this money. Are they allowed to do whatever they want with that money? I mean, as the groups objectively sees fit?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I think I just told the Member how it is spent. The \$100,000 has to be spent on the executive director's salary and benefits. That is what it is spent on. There is \$542,000 which they have to spend on marketing. I cannot tell you exactly what marketing they are doing. I know they attend a lot of shows and they host things and so on. Then there is \$279,000 in contribution agreements. They do a number of things on that. They maintain a website, they do contracts, they are working on a tourism strategy right now that I have seen draft copies of, and so on.

These three categories are the conditions that outline how they have to spend the money. We do not tell them though, in marketing, for example, exactly how to spend the marketing money.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: This tourism group has to have more than an executive director to run the place, so the money that they need to pay for their office space and have the marketing persons to do the marketing, that would all come out of this budget. Is that correct, Mr. Chairman?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: They have an executive director. They have some staff who man a 1-800 line, and do other work for the tourism association, but the budget that they have does not allow them to have a very big staff. Offhand, I am not sure exactly how many staff they have. Five all together, and they are not necessarily full-time. Thank you.

CHAIRMAN (Mr. Lafferty): Ms. Lee.

MS. LEE: Could the Minister advise as to whether the funding for the Northern Frontiers Visitors Association comes out of this budget?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman, the money for the Arctic Tourism Association comes out of the Arctic Tourism line, the \$4.5 million.

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

MR. DELOREY: Thank you, Mr. Chairman. With respect to oil and gas, minerals oil and gas, I see 2000-2001, \$2,737,000. I am just wondering, with all the talk there is about oil and gas and getting ready for the development in that area, just looking at the figures here, there seems to be a decrease this year, as compared to previous years. You would think that in the stress that we are putting on the development for oil and gas and getting prepared for it, that there would be an increase there.

Does that figure indicate what we are doing in the oil and gas industry at all?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the biggest change from last year to this year, is last year the department provided Giant Mine with exploration assistance. I do not recall exactly how much it was. It was to be up to \$1.5 million but we did not spend all of that on it. So there is a decrease there. We are not doing that this year, but we did add in some additional positions into minerals, oil and gas.

So the net amount appears to be lower, but if you take away the commitments that were made to Giant Mine, we are actually spending more on oil and gas than we were last year through minerals, oil and gas.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. Is there a figure breakdown if you separate the minerals from oil and gas?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman, I think the information was provided to the committee and we have it here, if you will just give us a minute to find it.

Mr. Chairman, if we look at the oil and gas side of minerals, oil and gas, we are committing \$1,811,000 this year. To the minerals side, we are committing \$926,000. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I was wondering in the oil and gas exploration field, we are getting ready for it, has there been any consultation with communities or is there anything being looked at as far as Hay River being the rail head and shipping centre? Are there any areas being looked at there that, such as an impact study on Hay River as far as getting ready for oil and gas? Has anybody been looking at that at all?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, no, we have not looked at any impact study. Although we have been working with the businesses, the aboriginal groups, and individual business leaders and so on, on their plans, regarding oil and gas.

At this point, to do any sort of impact study would be speculative because we do not know for sure what is happening. Hopefully, if we are lucky, we will end up with a pipeline coming down the valley and there will be a lot of activity. On the other hand, we might find ourselves being frozen out by the pipeline going through Alaska.

So up to now, it has been consultation and where there has been business interest. For example, in the Hay River Reserve, we have been working with companies like Dene Directional Drilling. We have not done an impact study. I think it is probably a bit premature yet. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Delorey.

MR. DELOREY: Thank you, Mr. Chairman. I would think that there would be a fair bit of interest in Hay River as far as any development in the oil and gas sector, the manufacturing and especially with the shipping and NTCL.

I am just wondering, who will have input when we talk about putting in for oil and gas advisory positions? As you mentioned in the House yesterday, when oil and gas for the Deh Cho is going to Fort Simpson, I was wondering who had input as to where that position would be set up?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, we have been hearing from a lot of communities with regard to positions, as well as requests from them for contributions. In fact, we have met with the Hay River Town Council. We have given them a contribution of \$30,000 to work with us on some of these things.

With regard to the position for the Deh Cho going to Fort Simpson, while we hear many views from people wanting it to be in Liard or wanting it to be in Simpson, or Kakisa or Hay River or wherever; we had to make a call ourselves. Given the amount of activity going on in the Liard Valley and Western side of the Deh Cho, it was our view that the position would be best located in Fort Simpson. That is our regional office for the Deh Cho. We just chose to put it there because that is where the activity is.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. My question is in regard to the Northwest Territories Development Corporation and in regard to the history that it has had. It has seen a rough ride in the last couple of years, especially with some of the bad investments we have found ourselves in, especially in the marketing of our different products where we were set up these storefront operations in southern Canada, in Banff, Toronto, Vancouver and different areas across the country.

I would like to ask the Minister, are we clear of all outstanding debts and costs that were associated with the storefront operations and marketing of Arctic goods in southern Canada?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, yes, we do not have any outstanding liabilities on that at all. We are clear of it.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you. Can the Minister tell us what the final cost was to the government to pay out these leases at these different storefronts, especially in places like Toronto International Airport and other places in Canada?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I do not believe we had to pay out any leases. In the case of the Toronto International Airport, the stores there, those and the warehouse, were taken over by Nunavut, so they just assumed the responsibility for it.

In the other areas, in Calgary, they were in the process of changing locations. The one in Victoria was closed part way through the last fiscal year. The one in White Rock we closed, but again, without any liability for ongoing lease costs.

So there was not a lot of money owed for leases. The biggest one, Toronto, as I said, was taken over by Nunavut.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. In regard to the Toronto operation, you said it was transferred to the Nunavut government. Was there any compensation paid to the Government of the Northwest Territories or to the Development Corporation because of the cost that was associated with that operation? Was there some sort of a compensation paid in light of the fact that there was a partnership arrangement between the east and the west? Because of division, there was this parting, and assets were divvied up. Was there anything that came from that?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: No, Mr. Chairman, the products that were in each of the stores and the warehouse belonged to each of the jurisdictions was inventory. So each jurisdiction got the rights to its assets, the products to be sold.

In terms of the lease and any improvements that might have been made to the facilities, there was no compensation paid to the Northwest Territories. I think we did well simply to be able to step away from that one without incurring further cost. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. One of the ventures we were involved with in Fort Resolution was the sawmill. There was a statement made in the House by Mr. Nitah as to why they purchased this equipment knowing they were in a deficit situation. I know there have been other purchases made in other areas. I would like to ask the Minister, has there been an assessment on what the cost was to this government because of the decisions made by certain managers to purchase certain equipment that is now the responsibility of this government? We are now owners of equipment we did not previously own.

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the Development Corporation is just now in the process of selling off the assets from the Great Slave Lake Forest Products Ltd. We will not know what the costs are to the government until we know what the recoveries are from the sale that is going on.

In the case of the two loaders that were purchased, both of them have already been sold. Those are no longer an issue. I believe the purchase was a leased purchase, and there were ongoing costs of some amount per month. The Development Corporation undertook to sell those loaders as soon as they could. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Can the Minister tell us if there are any unforeseen circumstances, through the courts or what not, that may have an impact on the operation of these corporations, either financially or legally?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I did not quite understand the question.

CHAIRMAN (Mr. Lafferty): Mr. Krutko, can you please ask the question again?

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, my question was regarding the past practice of the Business Development Corporation. Are there any unforeseen costs or implications that may have an effect on the operation of the corporation, legally or otherwise?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the issue of the decisions that were being made by the previous president of the Development Corporation are being reviewed by both our Department of Justice and the RCMP. I do not think it would be appropriate for me to get into any detail on that right now. Thank you.

CHAIRMAN (Mr. Lafferty): Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, the reason I asked the question is that it could have a major implication to the operations of the Corporation. I for one depend on the Corporation, because of the operations in my riding, the Fort McPherson Canvas Shop and the fur shop in Aklavik. It has had an effect on those businesses. The

resources they had to maintain, the lack of the ability to market, and also how their inventory was being handled.

What certainty do the people have, especially the ones who have a relationship with the Development Corporation? What type of security is in place to ensure those operations are going to continue without having to worry about closure or what not in the next year or so?

CHAIRMAN (Mr. Lafferty): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the guideline we used in the past for subsidizing our subsidiaries has been, and continues to be, \$10,000 per job. As long as the subsidy does not exceed the \$10,000 per job, then I do not think the community will have to worry about it.

Having said that, at this time, I have asked the Development Corporation to do an assessment of whether or not \$10,000 per job is an appropriate amount to subsidize these subsidiaries. We have used that figure for many years, and it may be low. We may need to subsidize jobs for something higher than that, I do not know. I do not have an answer from the Development Corporation on that yet.

As long as it is within a reasonable range, then no, I do not think there is anything to worry about. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Handley. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I have some questions about tourism and the tourism strategy. There are concerns in the South Slave among operators in my constituency, with the fact that a decision was made in the 12th Assembly, which saw the demise of the division of tourist operations, specifically, in the South Slave the Good River Travel and the negative impact it has had on tourism.

Could the Minister indicate whether the tourism strategy looks at that? I have raised it in the House. It has been an issue. I think the decision made in the 12th Assembly was wrong. There is a need to resuscitate those if we are going to support tourism at the local and regional levels. It cannot be done from one central location. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I think there are some things that can be done from headquarters. Promoting regions and regional tourist attractions, I agree with the Member, can best be done by people at the regional level. In fact, most of our successes are more from the regional people promoting their own areas.

As I mentioned before, my objective in allocation of any new dollars we have for tourism is to have it for the two purposes, marketing and building up that regional capacity. Whether the 12th Assembly was right or not, I will not comment on that. I do think we need to build up our regional capacity if we want to have tourists attracted to the regions. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, is that approach going to be reflected at all in the

tourism strategy, which the Minister said he had seen a draft copy of? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, yes, it will be. I do not know if it will be to the extent the Member may want, but what I have seen does reflect the need to build up the regional capacity.

When we present our Northwest Territories Tourism Strategy, that will be done cooperatively between the department, the Tourism Association, and regional businesses and interests. The final strategy we have for the government to work by will definitely include building up regional capacity substantially.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, to understand the Minister correctly then, building up regional capacity will be dependent on some new revenues, which is where your hotel tax comes in as one of the sources. Is that the commitment I heard you make in the House? Thank you.

CHAIRMAN (Mr. Krutko): That question is more suited for a response from the Minister of Finance. Since you are here as the Minister of Resources, Wildlife and Economic Development, would you like to answer? Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, in my discussions with the Minister of Finance, he has assured me that we will allocate new resources to building up regional capacity along with our marketing capability.

Some of the money, as I have said before, or as the Minister of Finance has said, will come from new revenues. I want to look at this whole area of tourism more carefully, particularly as we go through the exercise of going through our tourism strategy to move us closer to what we would ideally like to have to support this important sector of our economy. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Another issue related to tourism comes under this area. It is a concern I have had raised to me. It is about marketing. The department tends to take the lead role in marketing, going to shows in southern Canada, the States, often from the regional level but with minimal, if any, contact or involvement of local businesses to market the North. The concern I have heard is that it would be much better if there was a way to involve tourism associations or chambers to send actual people who are in the business to work with the departmental people, so you get a rounded picture when you are marketing.

It is a concern I have heard consistently every year I have been an MLA. It is constantly brought up. I would like to ask the Minister if he sees a way to involve tourism operators in this process, more in terms of the actual marketing, not just leaving it to employees of the department, who have no real strong, vested interest other than they are paid to do that job as opposed to somebody whose life's blood may be put into the business they are trying to make viable. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the department regularly supports tourism operators. I think it goes on a case-by-case basis. We support them in their efforts to market at various shows. I agree with the Member that having more people who are in the tourism business is beneficial, and it is something I would like to see us doing more of.

We do have a number of operators, though, and I take outfitters as being the best example, who do a lot of their own marketing. Our job is more one of facilitating the process with them.

So some sectors do this very actively, others do not. The chambers of commerce, local tourist associations, those I think we can do more to include them, as well.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Could the Minister just elaborate, at this point, off the top of his head, how we would envision being able to do more? I would like to be able to reflect these positive comments when I go back to my constituency. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I think the first place we will start is with the development of a tourism strategy, and there we are committed to working very closely with operators and the various associations at the community and regional level.

Then, beyond that, we will continue and, as resources permit, enhance our support to them. Whether it is coordinating their efforts, hosting Northwest Territories events at various shows that they participate in and, in many cases, assisting operators or entertainers in the North to participate in the tourism ventures. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. One of the possible suggestions would be that these kind of events are planned well in advance, I would assume. The possibility of regional staff sitting down with the communities in their region, or the organizations in their region to try and map out where they intend to go so that there is a chance for input.

Often times, I know in Fort Smith, if you hear after the fact that people have gone, that there has been this event or that event that people have gone to, usually it is brought forward by a disgruntled business person.

I was just wondering if there is a possibility, at the regional level, to get proactive to try to identify where there is a role to play between business and the department so that you have this representative showing of our best efforts at these events? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I think that is good advice, and we will continue to try to improve our support to industry in planning out its' marketing strategy for the year. We have some very successful events, Mr. Chairman. For example, the Rendezvous 2000 in Calgary last year was very

well done. I was at the Sheep Hunters Show in Reno early this year and it was excellent in terms of the coordination and the cooperation between the department staff and the outfitters.

I think there are some good things that they are doing out there and it will just continue to improve. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would just like to acknowledge that I agree with the Minister that the Meet the North Conference, albeit was some time ago, I thought was a very successful endeavour as well. It did bring all the players to the table, so that is the kind of prototype that I think people saw as being so successful and would like to see continued. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: I appreciate the comment, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Krutko): Thank you. I have Mr. Dent on the list, then Mr. Roland and Ms. Lee. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to ask some questions under trade and investment, diamond projects. I am not sure which one it comes under.

Could the Minister advise me, we now have three approved diamond manufacturing plants in the Northwest Territories. When does he expect to see the next one approved after those three?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, it is correct that we have three facilities. There are two other applications that are in the works. The biggest obstacle for the other two applications is access to rough diamonds. So until the second mine is operating and producing diamonds, I do not think the one mine has a lot of latitude to make more diamonds available. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I believe that we are not expecting to see the next mine in operation for probably three years. So, Mr. Chairman, why do we continue to pay a high price consultant who sits in Belgium, \$225,000? Are we going to keep that expense up for the next three years, while we do not have projects for them to review?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman, I think the consultant we have in Belgium, like everything else, has to be subject to review to determine that we are getting our money's worth. Having said that, providing us advice on diamond polishing plants is one piece of his work. There are a number of other initiatives that are underway in the diamond projects section of the department.

One is including having a good monitoring system, so that we can be sure that our loan guarantees, for example, are protected to make sure that the stones they are working with are Northwest Territories stones and are not from somewhere else.

Second, another one is the certification program we are undertaking right now, to be able to come up with a program that certifies our stones, and it is going to be worthwhile in the market.

The third area is looking further down the road at other value-added, whether it is getting into the jewellery side more, or other ways of doing the value-added. Like everything else in the department, Mr. Chairman, I intend to have a look at the contract. I do not think we should assume that it is going to go on forever, as it is right now. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would certainly encourage the Minister to review that program. We are talking about three quarters of a million dollars to a million dollars in outlay before we see the next allocation in diamonds available to Northern manufacturers. While I welcome the work being done on certification and I agree that we need to have somebody doing diligence, I would question whether or not the person that we are using has the chemical expertise to determine whether or not the stones are in fact from the Northwest Territories. It takes a pretty qualified person to take a look at the physical structure of a diamond and know or assess where it has come from. I believe his expertise was in the marketing of diamonds, rather than in other areas.

So I would encourage the Minister to make sure that we are, in fact, seeing our money's worth in that contract. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman, the individual expertise is in the marketing and trading of diamonds. I think the main contribution he could make to us is related to his knowledge of the whole business of trading and diamonds. I do not think we could afford the equipment that would be able to tell whether our diamonds came from here or whether they were brought in from Russia.

I take the Member's advice seriously and we will look at that contract. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I was going to ask this question under grants and contributions but I see I can address it under the program delivery details of the Northwest Territories Development Corporation. In the main estimates document, it states that the 1999-2000 revised estimates, the Development Corporation is \$4,100,000. The main estimates for this year are proposing \$2,700,000.

I am aware that if this changes and things get moved around, that it would be done through supps and the revised estimates would show that result, but the 1999-2000 main estimates stick with \$4,100,000 and the revised estimates are still at \$4,100,000.

In the information supplied to the committee from the Minister, the Northwest Territories Development Corporation Corporate Plan 2000-2001, it states here on page 8 of that plan, the corporation was allocated a budget of \$2,700,000 for the 1999-2000 fiscal year.

Can the Minister explain the differences in the figures reported? There is clearly a \$1,400,000 difference in what is shown in the main estimates and the revised main estimates than the Corporation had contributed to it by the department. Can the Minister state why there is such a difference?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the \$4,100,000 continued to show up in 1999-2000 because of the late date when the decision was finally made as to what the contribution would be to the Development Corporation. The Development Corporation was only given \$2,700,000, but it was too late to have the change made and an effort by the Department of Resources, Wildlife and Economic Development to have it restated was rejected.

So the \$4.1 million is a result of the late date when the decision was finally made on how much the contribution was going to be made to the Western Development Corporation.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. So what was the date that the decision was made to only give the Corporation \$2.7 million instead of the \$4.1 million? I will save the next question for after his response, Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the final decision was made in the winter of 1999. I do not recall the exact month, but it would likely have been in February or so. It was too late to be put into the main estimates.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. You are referring to having the dollars not available, the decision made in this past winter. I guess to me, the document was just printed up recently, and we have had a number of Sessions. If funding was going to be moved from one department to another, it would take a supp that is my understanding.

So, again, just for my clarification, the Corporation was informed that it would only get \$2.7 million in the winter of 1999. That was well before Christmas, Mr. Chairman?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, the decision to only give the Development Corporation \$2.7 million instead of the \$4.1 million that the previous president was insisting on was made after Christmas. I do not recall exactly when, but around February of 1999.

It was too late to be in the mains. Efforts by the Department of Resources, Wildlife and Economic Development to have this figure restated to the \$2.7 million were turned down by the Financial Management Board Secretariat. I am not sure of the exact accounting reason why they felt we cannot do that, but it was not restated. What you have here is still that old figure. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. It begs the question that if the corporation was first approved \$4.1 million and it

went from April all the way to February, we are almost done the year-end.

Why would they not have used that money within it? I mean, it was appropriated for their benefit. You are saying they were not notified until February of that year, which is the end of the fiscal year. So they would have \$1.4 million still sitting in their reserves to be pulled away? Is that the understanding I have here, Mr. Chairman?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, no, there is not \$1.4 million sitting anywhere. The decision on what the contribution would be for the Development Corporation for the 1999-2000 year was made, as I recall roughly, in February. They were given \$2.7 million. The balance, the \$1.4 million was reallocated back into various sections of Resources, Wildlife and Economic Development, and the biggest piece of it ended up being allocated as far as the expenditure of management process of cutting down on government spending. So it was not as if Resources, Wildlife and Economic Development was getting a windfall on it either.

So there is no \$1.4 million sitting anywhere. The efforts to have this figure in 1999-2000 restated were, as I mentioned before, rejected by the Financial Management Board Secretariat. The department was told that it did not fit the criteria for restatement. So it has continued to appear as \$4.1 million.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. To be clear, I am not looking for a \$1.4 million pay cheque sitting somewhere, or a bundle of cash some place. It is just the process. Again, my understanding is if you have appropriated a certain figure for an activity, for that to be corrected throughout the year, if it was taken out and transferred to someplace else, it would come in through supplementary appropriation. Obviously this is not the case, because in the books printed now, it still states \$4.1 million. In fact, they only had \$2.7 million, so almost \$1.4 million was transferred to other places. Can the Minister provide that information? What transfer occurred? Where did it go? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, I will just ask Mr. McLeod to try explaining what has happened after this. Thank you.

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. Last fiscal year, there was a concern that the government was over expending its budget, so there was an expenditure management program that was instituted, in which all the departments had to identify areas that they could cut back on. Then they were to identify forced growth requirements, and then it was submitted to the Financial Management Board. Projects were submitted, and if they were approved, you were allowed to utilize your projected surplus. There was a planned surplus that was identified for most of the departments.

A large portion of that was reallocated. There was some money that went for some BDF projects. There was some that went to

other areas. So essentially that was how the process worked in the fiscal year. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. McLeod. Next on the list I have Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I would like to pursue a question on tourism again with the Minister. I want to follow up on what he stated to the Member for Thebacha. He stated very strongly that he wanted to work on building regional capacities for the tourism industry. He also stated this in his opening comment awhile back.

Given that most of the hotels and motels are in the city of Yellowknife and, over the weekend, Mr. Chairman, I did not have anything better to do, so I actually went into the yellow pages and counted all the hotels and bed and breakfasts. I found about 46. So for all the Yellowknife ones, I am wondering if the Minister is saying he is going to collect the taxes out of Yellowknife businesses so he can give it to the regions? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, there are roughly between 1,100 and 1,200 hotel and bed and breakfasts rooms across the Territories. So about one third are in Yellowknife. As I said before, I want to go through a process of consultation with the industry and all these stakeholders before I make decisions on allocation, either the vehicle for it or what the actual break out will be. It will go into two main areas. One is building regional capacity. The other one is in enhancing our marketing.

I do not think that Yellowknife businesses need to worry. As a centre, most of the flights, practically all the flights land here. We will do very well by enhanced tourism all across the Territories, because people will come here. They will spend time here and then they will move on to the regions.

I do not think that we need to worry too much about the distribution between Yellowknife and the other communities yet. I think that it will be a fair distribution and I think everybody will benefit. I want to work in consultation with the industry and other stakeholders before firming up how the money is going to be divided up. Thank you.

CHAIRMAN (Mr. Krutko): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. The Minister had indicated earlier in question period that he has been consulting. I can tell the Minister that I have also been consulting. I have had a couple of lunches and other phone calls and I have been talking to the hoteliers over the weekend. One of the major hotel operators in town told me that he is really suffering.

There is a high occupancy rate during the winter, but not in the summertime. He is having a hard time charging the rooms at the rate that he usually has, and five percent extra on it will be a very negative factor.

I also talked to a motel operator who told me that four years ago, he was able to fill his rooms with exploration, but not anymore. I have talked to a bed and breakfast operator who told me that if this tax was instituted, she will have no choice but to shut it down because she said that this would be nothing but a harassment to small business.

From talking to these operators, the only light in this whole thing is that they might buy into it if they could see a tourism strategy that they could relate to. A strategy that had a common vision and an implementation plan about where we are going with this tourism strategy. The thing is, Mr. Chairman, we do not have a strategy. I know that the department has a draft copy that is floating around. However, I believe the Minister did not think that was good enough, because he was addressing too many priorities.

My question is, we just had a tabling of the Economic Panel Strategy, which took no less than three years. The Transportation Strategy took as long, as did any strategy of that magnitude or that is worth anything. That strategy has to have a buy-in, and in order to have a buy-in, there has to be participation by the stakeholders.

Could the Minister explain how he is going to be able to come up with a tourism strategy that would have a clear vision of where it is that the Northwest Territories is going with respect to tourism? How is it that he is going to be able to do it in the next six months, with the understanding that most people take the summers off and we have a Christmas month and so on. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman I do not think that all strategies have to take three years to be successful or to be good strategies. I think that the Non-Renewable Resource Development Strategy is a good example. That one only took us a couple of months to pull together, consultations ongoing and I think that it is a good strategy with wide buy-in.

I look at the amount of work that has already gone into the tourism strategy and I do not see it as being a three-year exercise to do the consultation and pull together a good strategy well in advance of the next fiscal year, well in advance so that people know how the money that we generate from the hotel tax will be distributed. I do not think that it is an issue.

I have to say that some of the reasons and some of the concerns that hotel owners have expressed are exactly the reasons like poor occupancy during the period that we do not have Japanese tourists. That is exactly the reason why we need to generate more activity in this area. It is not a time to dig ourselves into a corner somewhere. The biggest operator of tourists in the Territories, the man who brings us 8,000 or 10,000 Japanese each year, is a strong supporter of this kind of initiative.

The Northwest Territories Tourism Association came to my office and they told me that they worked with a consultant who has done work across Canada and can show us that five percent makes absolutely no difference to business levels, in terms of tourists coming here. When it gets into the neighbourhood of 20 percent, it begins to make a difference.

There is a lot of work that has been done already. It is not as if we are starting fresh. So I do not have any doubt at all that we can produce the strategy in the time frame that I have set. Thank you.

CHAIRMAN (Mr. Krutko): Just a reminder that the whole concept of a hotel tax is not part of this main estimate. There is no reference to it in the main estimates and we are dealing with the area of resource management, economic development and

tourism. The question is valid but if you could just phrase it around the area of tourism. Because there is no reference to the tax in this budget. Ms. Lee.

MS. LEE: Mr. Chairman, speaking with respect to a tourism strategy in general, given that the Minister has chosen to refer to other supporters, I could tell the Minister that I actually golfed with the main operator who brings in 10,000 Japanese tourists and he told me very clearly that he would not support this tax unless there was a clear strategy.

Mr. Chairman, I could also say that the Minister already stated this morning that a lot of the Non-Renewable Resource Strategy was lifted from the Economic Panel Strategies. So that is three years of ground work that our government has borrowed and I think it is good to borrow good ideas, but I do not think that it is being totally forthright when he says that he was able to come up with the Non-Renewable Resource Development Strategy in two months.

Mr. Chairman I just want to state that this is something that has to be taken seriously. This place is in need of a really good strategy. It never fails to amaze me when I talk to tourism operators, how everyone has a different ideal about what we need. In order to bring all the voices together, we have to give it the time and resources necessary, and not ram it through by way of a tax measure. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: I did not hear a question. I have no comment.

CHAIRMAN (Mr. Krutko): Ms. Lee, do you want to put that in the form of a question?

MS. LEE: My question is does he not agree that the reference to the Non-Renewable Resource Development Strategy is false? It will take a lot longer to come up with a really good strategy.

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: No, it is not false. We produced a Non-Renewable Resource Strategy. It is a good strategy. It was done using available information. So will the Tourism Strategy.

CHAIRMAN (Mr. Krutko): We are on page 11-17, resource management, economic development, operations expense, total operations expense \$32,212,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): We are on page 11-19, resource management, economic development, grants and contributions, grants, \$678,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Contributions, total grants and contributions, \$11,556,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, under page 11-21, under industry assistance, there is \$1.5 million in the revised estimates for last year, and just \$180,000 this year. Could the Minister advise me what the \$1.5 million was spent on last year? What is the intention to spend the \$180,000 on this year?

CHAIRMAN (Mr. Krutko): Mr. Minister.

HON. JOE HANDLEY: Mr. Chairman, there was \$1.5 million in the estimates. The actual expenditure was \$734,000, which was to assist Giant Mine. The \$180,000 in this year's main estimates is for the cost associated with the land swap at Giant Mine. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. We have Community Futures for \$782,000. This is the contribution amount. Can the Minister advise me how much is actually spent supporting the offices? What I am trying to point out is, are we giving away as much money as we spend on running the offices under Community Futures?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the amount that is here, the \$782,000, is their O and M for operating their offices. It is roughly \$150,000 to \$160,000 per region. I can give you the specific amounts by region if you like. Mr. Chairman, the North Slave region, \$150,000; the South Slave, \$160,000; the Deh Cho, \$150,000; Inuvik, \$162,000; and Sahtu, \$160,000. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Can the Minister tell me how many people are in each office in those regions?

CHAIRMAN (Mr. Krutko): Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. For the most part, there are about two people per office, on average. I believe the Inuvik Community Futures has three people. The Sahtu has two people. The Yellowknives have one and a half, I believe. Generally, there are about two people for each Community Futures Organization. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. McLeod. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. If we take the deputy's suggestion that there is an average of two per office in the five regions, then that means we have approximately ten staff administering these programs. I guess my point was that if you take an average salary of \$60,000 or \$65,000, you have either \$600,000 or \$650,000 in administrative costs to give away \$782,000. The point I am trying to make is there has been a real significant reduction since 1998-99. In our books, we show the actuals as being \$2.5 million in contributions through this program in that year. What I would like to suggest is that it might make more sense, rather than having the number of different programs, why not move all of the money for business development into community futures? Let us have community based organizations look at applications for money and make sure they really make sense. Take it away from the regional offices and put it in the hands of community-based organizations to administer. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I think there may be some confusion about the amount of money the Community Futures Organizations have to administer. The \$782,000 is their O and M. That is the

money they use to run their offices. The amount of money they each have varies, because this program goes back to an old federal program. Some of them have well over a million dollars in a revolving fund that they loan out. The Inuvik and the South Slave offices are probably the two best examples of the large ones. Some of the smaller ones have in the neighbourhood of \$500,000 to administer. They are administering more money than what would appear here.

In terms of rolling this together in some way, I take the Member's advice. As we look at options and ways of streamlining the whole thing, we will take that into consideration. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I had misunderstood. I thought that this was money that was going to be added to them so they could have a larger revolving fund. I know in speaking to the people in Yellowknife, they have no money to lend out because it has all been lent. The amount of money that gets paid back on a regular basis does not give them enough money on an annual basis to make any significant new loans. I had assumed we were increasing the amount of money they had to put into their revolving funds. Unfortunately, it makes it even worse than what I thought it was. I would like to speak very strongly for moving some of this money out of the Business Development Fund and into Community Futures, or to have regional groups take a look at some of the disbursement.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, to provide some clarification, because we were part-way through the process of providing adequate funding for each of these groups to loan out, when our Northern Employment Strategy came to an end, we had to stop it. That is why you have some with \$500,000 and some with well over one million.

What we are doing now, in order to begin the integration of these agencies, and also to give Community Futures more money to loan out, we are making it possible for them to borrow from the BCC and use that money for loans. They will be accessing BCC money. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, going back to my previous questions on the Business Development Fund, the Minister has provided me with the program summary for the fund. I noticed in here, under community initiatives, there are differing equity levels the recipients must contribute. For something like the DDC, and the contributions there for a chiefs meeting, do they qualify for level one, two or three, in terms of the equity they have to put in for such a project?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the eligibility they would have to put in would be dependent on which communities they came from, whether they were level one, two or three. I believe the reference to group one, two or three is the same as the old concept of levels one, two and three. If they are from a level three community, they would put in five percent and be eligible for the balance.

CHAIRMAN (Mr. Krutko): General comments or questions? Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I wonder if the Minister could indicate if all of the funds in these categories, grants and contributions for all the different groups and agencies, was fully expended last year?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, our understanding is that it was all used up. There may have been little lapses because of accounting at year-end, I do not know. There is certainly more demand for BDF money than there is money. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, is there the ability within this activity to move money around? Is it under-subscribed, by one of the groups or areas, and moved somewhere else? Is that a practice? Thank you.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, that is one of the reasons why we hold some money, \$579,000, at headquarters, so we can reallocate it as necessary. When we get late into the fiscal year, the department does look at ways of reallocating if there is surplus money in one region and demands in another. It can be moved. As we do the exercise of streamlining our loans, grants and contributions, that will certainly be one criteria we have to look at. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. We are dealing with grants and contributions. We are on page 11-23, total grants and contributions, Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, just for the record, page 11-21, Northwest Territories Development Corporation, the \$1.4 million, the Minister stated he would provide the information as to the differences there.

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Can he inform us when he will be able to provide that to us?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, I can provide it in general terms right now, if the Member would like. For minerals, oil and gas, we gave them \$150,000 that went into permanent salaries; information systems was \$246,000, which was a combination of permanent salaries, casual wages; community economic development services was \$150,000 in casual wages; human resources, \$175,000 into permanent and casual wages. We created a manager of business development position in Fort Liard, which was for \$90,000. That was an additional position in the South Slave area, I believe in Fort Smith, which is another \$90,000. There was a North Slave position for \$43,000. There was \$250,000 for the

Holman office and polar bear research. There was \$217,000 that went into the directorate. That should total up to \$1.4 million.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, earlier in the first response to my questions in this area, it was stated that the Financial Management Board Secretariat of the day had requested some savings to be brought forward. These are identified. In fact, there were no savings there because it had all been dispensed out in other areas. On top of that, could you give me the total amount of salaries this has gone to? Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, through the expenditure management exercise, the department had to come up with a target of savings. Whether it came out of this one or this other category, it is hard to tell. In doing that, the department, in order to deliver its mandate, found itself short on a number of areas, particularly salaries and wages.

What I have given you has all gone into salaries, with the exception of \$110,000, and I am saying salaries and wages together. If you want a split between salaries and wages, I can break that out. Of the \$1.4 million, roughly \$1.3 million went into salaries and wages. Wages are casual wages. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. So \$1.3 million went into casual wages? All of that went into casual wages?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. Mr. Handley.

HON. JOE HANDLEY: No, Mr. Chairman. The \$1.3 million went into salaries and wages, with the bulk of it going into salaries. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I will have to refer to the Hansard to get all of the detail the Minister went over, and the positions that were created. I would like to thank the Minister for his information.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Roland. I did not hear a question there. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, regarding grants and contributions, there is a section dealing with the diamond industry funding to provide assistance to entrepreneurs taking advantage of diamond exploration and development. I am wondering if the Minister or his department will consider implementing a similar arrangement for the oil and gas sector, where there are a lot of people within the business community who want to take advantage of the oil and gas development and proposals, but they may need seed money to get off the ground. I am just wondering if the Minister or his

department would consider such an arrangement, so oil and gas funding will be made available to that business sector also. You have money there for commercial fishermen, the diamond industry, Community Futures...I am wondering if you will consider looking at developing such a fund for the oil and gas sector. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, yes, as I have said before, we will consider doing that. Again, we have to do it within the resources we have available to us. If there is any possibility of reallocation this year as we move through the fiscal year, I would even look at that. We have been and continue to be optimistic in terms of money through the Non-Renewable Resource Strategy. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, regarding other areas where you do have funds available, industry assistance, there is \$180,000, which was used in the same basis for...my understanding of that \$1.5 million is that it was supposed to be for Giant Mine to do exploration work and tests within their gold field to see what potential was there.

There was that arrangement already in place with the gold industry. I am just wondering if you could possibly use those resources which are not used or no longer needed for Giant Mine, along with the \$300,000 for the diamond industry, if half of that could be used within the oil and gas industry and half in the diamond industry.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the \$180,000 identified in the year 2000-2001 has already been assigned to the land transfer of Giant Mine. That was through an arrangement that was made in the Giant Mine bankruptcy settlement, which concluded.

In previous years, we did have up to \$1.5 million to assist Giant Mine when they were going through difficult times. As I said earlier, only \$734,000 was used. The balance of it has been returned to general revenues. There is no money in this particular category, but I can assure the Member that if there is a need, and there is potential for reallocation within the department, I am open to that. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I feel there has to be a will put out there by this government that we cannot talk the talk and not walk the walk. For the potential the oil and gas industry has compared to the diamond industry, with the jobs, resources and royalties it will bring in, it surpasses the diamond industry. Yet there is nothing in this budget that mentions the oil and gas industry. There has to be mention of that business sector if we are serious about the oil and gas companies we have been lobbying for the last couple of months. They should promote the North. They should come up here and do business, but if we as a government are not

going to put any dollars into that sector, I find it awfully offensive to the industry and the people who have the potential in the different regions, especially in the Mackenzie Delta-Beaufort Sea area, and also in the Deh Cho and the Sahtu. I feel we have to do more in that sector. By not mentioning it here, I feel it is a slap in the face to the industry and the people who know we have that potential.

I would like to ask the Minister if he will commit to reallocating some of these dollars in the budget to that sector?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, even though it does not appear in here because of the business planning process, the department is dedicating considerable resources to the oil and gas industry. We have the money that is already in our minerals, oil and gas sector. \$1.8 million goes into oil and gas. We are creating, as we have already said, four new positions, regional petroleum advisor positions. We are supporting meetings of aboriginal leaders. For example, this week we are paying one third of the cost, up to \$75,000, for a meeting in Fort Simpson.

The department continues to aggressively support the oil and gas industry. I think when we come to future main estimates, we may have enough clarification on the demands to be able to put in a category. This year, we were not able to do that. That does not mean we are not committed to supporting that industry. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, will the Minister consider bringing something forward through a supplementary within the next sitting to cover that cost, knowing that land will be opening up in the Beaufort Sea-Mackenzie Delta area in August?

I think that with the information that is out there, it will be pretty positive and we need to get off the ground running if we are going to take advantage of those developments. We put \$1.4 million into diamond projects, and here is another \$300,000 for the diamond industry. I would like to see something on paper that references the oil and gas industry and the funding that will be made available to that sector. Will the Minister consider that?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, certainly we will consider it. I hope between now and the fall sitting the Member referred to, there will be opportunities for much consultation with the industry. As the needs become clearer, I support investing in this area. We have been very clear on that, that we do support the need for some investment at this time. We will definitely consider the Member's suggestion. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Grants and contributions, page 11-23. Total grants and contributions, \$11,556,000. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Regarding the Hook Lake Bison Recovery Project, \$125,000, is that in the South Slave region?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, yes, that is between Fort Smith and Fort Resolution.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. The reason I asked that question is because many of these bison have been shipped to southern ranches, yet they are being taken out of the North. We are continuing to fund this project. I am wondering how private is it and how secure are these dollars if they are moving the animals to southern ranches?

Why is that happening and we are continuing to fund this project?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, none of the Hook Lake Bison are being moved south. The bison that were originally at Fort Smith and then at Fort Resolution, some of those animals did end up going south through a business deal. More recently, those are animals that came from Elk Island Park.

The Hook Lake bison Recovery Project is one where the community of Fort Resolution are taking calves from a herd that was declining, testing them and eventually releasing the healthy calves back into the Hook Lake as a wild herd. This is a multi-year project and the department has been involved for a number of years. The program seems successful. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. I was under the assumption that Mr. Mrdjenovich was a part owner of this herd, and he has moved these animals south and is selling the calves in southern Canada.

CHAIRMAN (Mr. Lafferty): I did not hear a question there, Mr. Krutko. Would you like to rephrase that?

MR. KRUTKO: Thank you, Mr. Chairman. I was under the assumption that this herd was owned by a private entrepreneur the government was funding and which I believe Mr. Mrdjenovich was part owner in this herd which has been reallocated to southern Canada. Is that a fact, Mr. Minister?

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Minister Handley.

HON. JOE HANDLEY: No, Mr. Mrdjenovich has never been an owner of any of these animals and will not be. This is a plan to recover, rehabilitate a wild herd and this is a totally separate one from the animals that Mr. Mrdjenovich had a share in. Those animals came from the Hanging Ice Ranch in Fort Smith. That is a totally separate herd of animals. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Handley. Total grants and contributions \$11,556,000. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I have just one small question. The Minister mentioned earlier about a funding to Arctic Tourism of \$972,000 but here, tourism industry marketing contribution has only \$279,000, could I just find out where the rest of the money will be in this budget?

CHAIRMAN (Mr. Lafferty): Thank you, Ms. Lee. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, as I mentioned before, there are three categories of funding. One is a contribution, \$279,000, one is a contract and one is payment of a salary. Because we are in grants and contributions, only the contribution portion shows up in here. The other is a contract, \$542,000, for marketing. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Handley. Ms. Lee.

MS. LEE: Would the Minister be so kind as to enlighten me and tell me where that other money would come from, because it is still coming out of his budget is it not?

CHAIRMAN (Mr. Lafferty): Thank you, Ms. Lee. Minister Handley.

HON. JOE HANDLEY: Mr. Chairman, because it is salary money and a contract it is in other O and M under parks and tourism. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Handley. Total grants and contributions \$11,556,000. We will go on to page 11-25, forest management, operating expense. Total operating expense, \$29,164,000. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I noticed that under fire suppression, in this year's budget we are showing \$8.6 million, which is the amount spent last year, which was a fairly good fire year.

I know that since the GNWT took over forest management from the federal government, we have spent an average of over \$12 million a year on firefighting. That is going back to 1988, a 12 year history shows an average of \$12 million. The highest year was \$27 million. The lowest year was \$5.7 million.

We can have a tremendous range in the amount we spend on fighting fires, depending on the year. At the end of March when we were considering the interim supply bill, I had asked the Minister how much we could expect to see in the full year's budget, knowing what was in the interim supply bill. The deputy minister, Mr. McLeod, replied, and I quote from Hansard, page 321, March 29, 2000:

"The suppression holding figure, the last time I checked, was about \$11 million. It has not been set for this fiscal year yet, but in the past, the holding figure was around \$10 million or \$11 million."

Mr. Chairman, we spent \$19 million fighting fires in 1998-99. Why would we put in nearly \$4 million less than what the average has been? I know you can never predict what it is going to be, but I would suggest that a more accurate figure would at least be the average for the holding figure, and you hope you do not spend it all in a year rather than putting in a lowball figure, knowing the Assembly will have no choice but to

approve supplementary funds if it is a bad fire year and you spend over the budget.

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

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the amount of money we have in the forest management section is based on our predictions of the fire season. It is also limited, by some extent, by the number of contracts we enter into. As we have more and more contracts for crews, we are committed to on multi-year, then we end up having more money tied up on that side.

In terms of why the figure we have now, roughly a little over \$8.5 million, there are two reasons. One is restraint. We simply have to be more careful in which fires we undertake to fight, stick with our policy of protecting values at risk, and managing as best we can. The prediction for this year seems fairly safe. We are going to manage within the amount we have. It is a matter of trying to balance our budget, and at the same time become more careful in how we fight fires.

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

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I know from a management point of view, I would be much happier to see the average expenditure put in there. I thought that in March when we were talking about this, the deputy suggested that \$11 million was the amount they were looking at and that was close enough to the \$12 million average that I was not concerned.

This does represent a significant change. I would have to ask what has changed in the last three months to give you the confidence you can cut this \$4 million out of this budget over what you had predicted in March?

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

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the two things that have come into play is the need to exercise restraint. Second is the number of other fixed contracts we have already that are tying up a fairly high percentage of our budget. Thank you.

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

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, would the Minister consider making the commitment to manage the funds in other areas of the department so that, should the fire year come in under \$12 million, even if it is over the \$8.6 million, that he will endeavour to find the money from within his department and only come back to the House for a supplementary for that portion that might be above the average spending on fires for the past 12 years, which is over \$12 million.

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

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, yes, I think we can commit to first looking in the department for additional resources before we come back asking for more money. I will undertake to do that.

Whether we would be able to find \$4 million to bring us back up to the \$12 million before we come back is another question. Sometimes it is late in the year. We could be into August

before we know whether or not we are going to be going over. That does not leave us much flexibility. I cannot quite commit to doing that. Thank you.

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

MR. DENT: Thank you, Mr. Chairman. I would be surprised if you did know before August that you are going to be significantly over. I think that should be built into the planning for the departments. I guess what I am saying is you can expect a hard time from me, at least, if you come back for supplementary funding, not having put in at least the average expenditure for the past 12 years. I will be able to understand the amount that is over the average, but under the average, I think you should have put in here in the first place.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Dent. I did not hear a question there. Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, I have a question on other expenses. Am I allowed to do that now? Under forest management? Mr. Chairman, when we were elected as an MLA, I do not think we come here with a degree in how to read a main budget for the Government of the Northwest Territories. It is items like this that make you puzzled.

This document is full of little items, like \$23,000 grants and contributions, but an amount this big, \$22 million, does not get broken down. Could the Minister give us a general idea about what this is? As the Minister of Finance, is there any way...I think this is the recommendation we made as a committee. Is there any way to have it laid out better, so we have a better understanding immediately, without having to ask so many questions? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Delorey): Thank you, Ms. Lee. There is a breakdown on page 11-26. I will allow the Minister to answer that.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I am always open to suggestions as to how we can make this an easier exercise. I understand the frustration when you have \$22 million items all lumped together. To give you some of the larger items, of the \$22 million in other expenses, \$12 million of it is for aircraft used against forest fire suppression, what is called pre-suppression aircraft. These are tanker basing contracts, not actual fighting. Those make up \$11 million out of that \$12 million. There are a few other little things in there on forest development activities.

Another large item within that same category is almost \$7.6 million, which includes \$5 million for forest fire management crew contracts, for pre-suppression across the regions. These are ongoing contracts with community development corporations, band councils and so on who have crews ready to fight fires.

Included in there is some money for forest inventory, for silviculture and other minor contracts. Those two alone make up the biggest bulk of that \$22 million.

If Members want, we can give you all of the detail as to how we are assigning this.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. I just want to remind the committee that the information for a breakdown in

this area has been requested for next year. That was a committee of the whole motion. Forest management, grants and contributions, total grants, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, one of the concerns that came out of the committee report regarding the lack of coordination between forest management and the communities, there has to be more emphasis put on consultation, ensuring communities will be fully consulted and there is full cooperation between the department and communities.

I would like to ask the Minister, regarding those comments, has the department done anything to improve the consultation and cooperation between the communities and the forest management services?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I will ask Mr. McLeod to give us some more detail on that.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Handley. Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. Mr. Chairman, with regard to improving communications and consultations with the communities, as part of our regular program, we endeavour to have our regional staff visit all of the communities in the spring to discuss some of the initiatives we are undertaking in the fire program.

During the season itself, we have a communications strategy where we identify all of the community leaders. We make it a point of communicating with them during an actual operation. We endeavour to fly community leaders out to look at fire situations. As part of our ongoing efforts, we also visit the communities in the winter to give us some feedback.

With regard to areas that have large fires, as a department, we do what we call a board review. We go back and meet with the community to review the results of the review we have undertaken. That is part of the consultation process the department uses. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, another area I have concern with is the area of the forest development, administration side. What you hear happening in the Deh Cho, where there is a lot of forest development happening, but the people in the communities are not being consulted or do not feel they are involved in the process and the way that forest is being managed.

There are sections of the different land claim agreements, especially the Gwich'in and the Sahtu agreement. There is a forestry section, yet you do not see the involvement of the resource council on how the forest management area is being handled. What role do they play in the forest fire aspect of the forest itself? What are they doing to ensure those land claim obligations are being carried out and they are improving the consultation with the communities affected by forest development?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. Mr. Chairman, with regard to those areas that have negotiated land claims and have forest chapters in their land claim agreement, we have been working with them to develop forest plans. I think the requirement is that we develop the plans together.

In terms of fire management, the responsibility of fire management is still with the department. In the Deh Cho area, the way we have been operating is we work with the communities. The largest part of the commercial harvesting has come from the communities of Fort Liard and Nahanni Butte. In the Cameron Hills, there is an area that is under appeal as we speak. Because of timber supply analysis we have undertaken, that is under appeal. I guess we would prefer to wait until the results of that come out before we discuss it further. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, has the department worked with the human resource boards in the different land claim areas, to see how the forestry chapter of their land claim agreements will work along with the department?

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. Mr. McLeod.

MR. BOB MCLEOD: Thank you, Mr. Chairman. Mr. Chairman, yes, we have worked with the different renewable resource boards. We are also participating as part of the First Nation Forestry Program. We have been working very closely with the Gwich'in, for example, on the forestry side. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. McLeod. We are on page 11-25. Mr. Krutko.

MR. KRUTKO: Mr. Chairman, I move we report progress.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Krutko. We have a motion on the floor. The motion is not debatable. All those in favour? All those opposed? The motion is carried.

We have been reviewing the main estimates for 2000-2001, for the Department of Resources, Wildlife and Economic Development. I would like to thank the Minister and his witnesses for appearing before the committee. We will rise and report progress.

MR. SPEAKER: The House will come back to order. Item 21, report of committee of the whole. Mr. Delorey.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, your committee has been reviewing Bill 1, Appropriation Act, 2000-2001, and Committee Report 2-14(3), and would like to report progress with one motion being adopted. Mr. Speaker, I move the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Delorey. Do we have a seconder? The Chair recognizes the honourable Member for Nunakput. All those in favour? All those opposed? The motion

is carried. Item 22, third reading of bills. Item 23, orders of the day. Mr. Clerk.

ITEM 23: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, meetings at 9:00 a.m. tomorrow of the Standing Committee on Accountability and Oversight, at 10:30 a.m. of the full Caucus.

Orders of the day for Tuesday, June 27, 2000:

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. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 1, Appropriation Act, 2000-2001
 - Committee Report 1-14(3), Standing Committee on Accountability and Oversight Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
 - Committee Report 2-14(3), Standing Committee on Governance and Economic Development Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
 - Committee Report 3-14(3), Standing Committee on Social Programs Review of the 2000-2003 Business Plans and 2000-2001 Main Estimates
21. Report of Committee of the Whole

22. Third Reading of Bills

23. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, June 27, 2000, at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 8:15 p.m.

