ITEM 1: PRAYER

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SPEAKER (Hon. Tony Whitford): Thank you, Mr. Roland. Please be seated. Good afternoon, Members.

Speaker’s Ruling

At this time, I would like to provide my ruling on the point of order raised by the Member for Yellowknife South, Mr. Bell. The point of order appears on page 1052 of unedited Hansard. The Member’s point of order as stated by Mr. Bell: “I believe the Member has imputed motives toward myself and the committee with her suggestions that one of the recommendations had ulterior motives.” Mr. Bell’s point of order arose as a result of comments being made by the Member for Range Lake, Ms. Lee, while she was replying to the Commissioner’s opening address under item 9 on the orders of the day.

I permitted debate on the point of order and heard from the Member for Frame Lake, Mr. Dent. There being no other Members who wished to speak on the point of order, I reserved my decision to permit me to review the unedited Hansard. In reviewing the Hansard I made note of, and I am sure Members will recall, that there was one other point of order and a point of privilege raised during the reply being made by the Member for Range Lake. To the point of order that I reserved on, and in reviewing the unedited Hansard, there are two quotes that are, in my view, the basis of the point of order.

The first is on pages 1048 and 1049 of the unedited Hansard and I quote Ms. Lee:

Mr. Speaker, the instrument of this palace coup is the committee report filed on Tuesday and the committee report that was discussed yesterday. I think the people who need a answer to these actions are the authors of this report. Mr. Speaker, I believe it is very clear who has written the report and the interest of the public, the Members of the committee...

Then the Member for Range Lake proceeded to name all the Members of the Special Committee on Conflict Process.

The second quote is contained on page 1051 of the unedited Hansard and I again quote Ms. Lee: “However, it seems like there was an ulterior motive to that motion and that is that a suggestion made for a certain action has to be taken by the Premier.”

There are a number of rules that I reviewed in considering my ruling. First, Rule 41(1), which states:

41(1) Every Member may make one reply to the opening address given under rule 33 and may speak on any matter.

Secondly, Rule 23, which states:

In debate a Member will be called to order by the Speaker if the Member:

(c) Persists in needless repetition or raises matters which have been decided during the current session;

(f) Reflects upon any previous vote of the Assembly except for the purpose of moving that it be rescinded;

(h) Makes an allegation against another Member, a house officer or a witness; and

(i) Imputes false or hidden motives to another Member.

Mr. Bell’s point of order falls under Rule 23(h) and 23(i). However, as I pointed out during the debate yesterday, Ms. Lee came very close to breaching a number of other rules on a number of occasions. I rule that Mr. Bell does have a point of order based on the comments made by the Member for Range Lake, Ms. Lee.

The Chair’s normal course in dealing with this matter would be to ask the Member, Ms. Lee, to retract the offending comments. However, I do note that again on page 1052, and I quote from the comments of the Member for Range Lake, Ms. Lee: “Mr. Speaker, my apologies. It was not appropriate for me to use the words ulterior motive so I will retract that and refrain from saying it again.”

Therefore the Chair will accept the stated apology of the Member for Range Lake, which I trust is acceptable to the Member for Yellowknife South and the House. Thank you.

The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Mr. Speaker, I have a point of order I would like to raise.

MR. SPEAKER: The honourable Member has a point of order. Mr. Handley, what is your point of order?
Point of Order

HON. JOE HANDLEY: Mr. Speaker, my point of order is under section 25 of the Rules of the Legislative Assembly. This is the first opportunity I have had to raise this. I wanted to look at the transcript. On page 1048 and continuing on 1049, Ms. Lee makes reference to a palace coup. She refers, "I use the word palace coup." Then she talks about the instrument of this palace coup is the committee report. Then she goes on to name the members of the committee, including myself.

The implication and the inuendo to this thing is that somehow I am involved, along with other members of the committee, in some palace coup. I find that offensive. I find that absolutely false and unfounded and I ask that the Member apologize and retract that statement. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. A point of order has been raised. Are there any comments by the Members on this point of order? The honourable Member for Range Lake, Ms. Lee.

MS. LEE: Thank you, Mr. Speaker. I think what I heard the Member say is that he is raising a point of privilege, not a point of order. Is it a point of order? May I have the permission to make a statement on this point of order?

MR. SPEAKER: Ms. Lee, any Member may, in debate, speak on the point of order but I am not going to permit a dialogue back and forth here. If you have something to say on that point, then state it. Other Members will have an opportunity as well to speak on Mr. Handley’s point of order. Ms. Lee.

MS. LEE: Mr. Speaker, I would just like to state for the House that I do apologize if any of the Members here feel that they are offended by the words used. I believe that the words that we are not supposed to use here are very clearly set out in the rulebook. One of them is to have language that is unparliamentary. I think there is a question as to whether or not the words palace coup are unparliamentary.

I meant what I said when I said in my opinion. This is my opinion and I have a parliamentary privilege to have freedom of expression and freedom of opinion. In my opinion, and what I have heard and seen with my eyes, I cannot think of any other words to describe it in a way that is as apt and appropriate.

I have discussed this with my constituents and the words actually came from my constituents. I just thought that those were good words. I do apologize if this is offensive but, Mr. Speaker, I was speaking on what transpired in this House from the recommendations and debates that came out of the special committee report. I do feel that I have to stand here and be judged by what I say and I am totally prepared to be judged on what I do and what I say in my capacity as the Member for Range Lake.

If anyone would take the time to read the special committee report, there are many allegations and comments made that are totally unparliamentary. I was only responding to that. Thank you, Mr. Speaker.

MR. SPEAKER: Ms. Lee, I believe you have gone a bit beyond the point of order here. I guess now you have stopped. Is there anyone else who would like to speak on the point of order? The honourable Member for Thebacha, Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would just like to speak in support of the concerns and chagrin and anger expressed by my colleague, Mr. Handley. I as well was on that committee and one of the authors of that report and I stand by it. I stand by every word in that report. There is evidence. There is documentation. Unfortunately, the inflammatory language -- the unnecessary inflammatory language -- in a time that calls for tact, diplomacy, statesmanship and measured comments has done nothing to add to the resolution of the outstanding issues before this House. I think it is truly unfortunate.

I as well did not appreciate all the comments and implications that I am some sort of terrorist engaged in a sort of violent overthrow of a legitimately elected government of which I am a Member, of which I was duly appointed to the committee. We have made great efforts to follow every rule, every requirement to be measured, fair and objective.

Unfortunately, I think Ms. Lee has gone far beyond the bounds of what is civil and in good order for good government. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. To the point of order. The honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I too rise in support of the point of order. Being a member of this committee, I as well found it offensive to be put in such context that deserved none.

The report was dealt with by this House. All Members had opportunity at that time to deal with that issue. Ms. Lee, in her comments in speaking to the reply to the opening address, continued to retry the information and the report that was done and dealt with by this House. Even as far as this morning, stating again and trying to put the information out there.

I believe every Member has opportunity to deal with their constituents and how they feel about it. However, to paint such a picture of all Members of this House, especially the members of that committee that was appointed by this House, because she does not like the report, I cannot help it if she cannot disengage herself from relationships she has outside of this arena. If she continues to do so, I am very concerned that it would impede on my ability to represent my constituents in matters that are of importance, of good government and accountability and transparency.

I think this is a very serious issue that needs to be clarified so that we can go beyond this issue and get on with good government. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. I will just remind Members that when you are speaking to the point of order, stick to the facts, only the facts and do not go beyond that. To the point of order. The honourable Member for North Slave, Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Speaker. I stand to support the point of order. I think the Member here went beyond what the rest of the Members think as the integrity of the House. I think she has made accusations that were not true. I will have a statement on this. I just want to stand up and say that I am in support of this.
MR. SPEAKER: Thank you, Mr. Lafferty. To the point of order. The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Mr. Speaker, in reply or defence of her comments, Ms. Lee questioned whether or not palace coup is an offensive word. I will tell you, in the context of which she used it, I find it terribly offensive. She also said she will apologize if it is offensive. I can tell you, Mr. Speaker, it is very, very offensive in the context that it is used. Not only am I asking her for an unqualified apology to this, I am asking that these words be taken out, removed from here. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Are there any more Members to speak on this point of order? The honourable Member for Frame Lake, Mr. Dent.

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, Ms. Lee, in responding to the question of whether or not this is a point of order, has said that palace coup is not unparliamentary language. That may be true, but what does palace coup mean? It means an overthrow of a legitimate government by force or the seizing of power by terrorism.

By using those words, she has in fact imputed motive to the five authors of that report, indicating that they are trying to seize force or seize power in this House. I think that alone should make the case for your ruling. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. To the point of order. Are there any other comments on the point of order? Thank you.

Speaker’s Ruling

Members of this Assembly, I think it is incumbent on all of us here to observe certain protocols and to treat all Members with due respect when we are making statements. I have read carefully the unedited Hansard, the particular paragraphs that were raised by the honourable Member for Weledeh and other Members of this House. The words that were used by the honourable Member for Range Lake are indeed suggestive of something quite strong, quite violent that the Chair fails to see relevant to the operations of good government in this House. Therefore, from the point of order raised by the honourable Member for Weledeh, the Chair would find that there is a point of order.

As far as what to do with this matter, I think if we deal with it now would be the best time. The Chair has limited options in this matter. The most obvious option is to ask the Member for Range Lake to apologize for the words used and to withdraw those words that were used in her statement yesterday found in the unedited Hansard on pages 1048 and 1049. The honourable Member for Range Lake, are you prepared to apologize to the House and to withdraw those comments?

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I do not mean to in any way challenge the Chair, but may I be advised...

--- Interjection

MR. SPEAKER: Ms. Lee, the question...

--- Interjection

MR. SPEAKER: The question was very specific. There is no room for debate. Will the honourable Member apologize to the House and withdraw those remarks?

MS. LEE: Thank you, Mr. Speaker. In the interest of protecting my right to speak here, I will not apologize or retract those words. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. The Chair has another option now, that if a Member is called to order for words spoken in the House or in debate, the words shall be recorded by the Clerk as requested by any Member. Any Member who has used offensive words and does not retract them or explain or apologize to the satisfaction of the Assembly may be censured or dealt with as the Assembly thinks fit.

I will ask the honourable Member again, in light of fairness, if she will apologize and withdraw those remarks from Hansard.

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I believe that I cannot function as a Member of this House if I do not have the freedom to speak. I cannot retract that, Mr. Speaker, with all due respect. That is the opinion that I had and I have to stand by it. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. I am going to refer to your rules of the House. Under section 25, section (c), naming of a Member:

A Member may be named by the Speaker for disregarding the authority of the Chair or for abusing the rules by persistently and wilfully obstructing the business of this House.

Ms. Lee, you are being named in the House. The Chair will ask you to withdraw from this Chamber for the balance of this day.

Item 2, Ministers’ statements. The honourable Member for Nahendeh, Mr. Antoine.

ITEM 2: MINISTERS’ STATEMENTS

Minister’s Statement 39-14(4): National Aboriginal Youth Conference

HON. JIM ANTOINE: Mr. Speaker, I am pleased to inform the Members that a National Aboriginal Youth Conference will be convening this week in Edmonton, Alberta. The conference will run through the weekend of October 26th to 28th.

Mr. Speaker, the Government of the Northwest Territories has been actively involved in efforts over the past several years establishing and participating in an ongoing ministerial level process for the federal, provincial and territorial jurisdictions and the five national aboriginal organizations to cooperate on aboriginal issues.

Mr. Speaker, this National Aboriginal Youth Conference is one product of our work through this process. The objective of the conference this week is to seek input from our aboriginal youth into that strategy. One hundred and twenty delegates have been selected by the six national aboriginal organizations and, in addition, each jurisdiction selected delegates.

Mr. Speaker, I am pleased to tell the Members of this Assembly that 13 young aboriginal residents from across the NWT will be participating in this conference. Representing the NWT’s aboriginal youth will be Crystal Menicoche from Fort Simpson, Ben Wright and Tywla Amos from Inuvik, Dianna Zoe from Wha Ti, Stephen Allen and Cynthia Mandeville from Hay River, Crystal Coleman and Michelle Bjornson from Fort Smith,
Lorraine Bezha, Anne Marie Jackson, Inga Gardland and Agnes Estemba from Yellowknife and Jill Olfie from Holman. I am delighted that I will have the privilege of accompanying them to hear firsthand what they and others have to say.

Mr. Speaker, I look forward to sharing the results of the National Aboriginal Youth Conference with the Members of this Assembly in the coming months. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Antoine. Item 2, Ministers’ statements. The honourable Member for Nunakput, Mr. Steen.

Minister’s Statement 40-14(4): New Highway and Ferry Telephone Information Service

HON. VINCE STEEN: Thank you, Mr. Speaker. Good morning. Mr. Speaker, I am pleased to inform the House that as of October 1, 2001, the Department of Transportation has introduced a new 1-800 telephone information system for the traveling public on our highway system.

-- Applause

This new telephone system gives the public access to highway and ferry reports 24 hours a day, seven days a week. Unlike the outdated tape recording and answering machine service this replaces, callers have immediate access with no busy signal or waiting time. The new service extends right across Canada, providing highway and ferry information for all regions of the Northwest Territories’ transportation system.

Mr. Speaker, effective with the new 2002 NorthwestTel telephone directory, the public of the Northwest Territories will see only one telephone number in their telephone directory. On the old system, people had to know to telephone the correct one of our regional telephone numbers to get the information for the highway or ferry they wanted. The new directory will be released April 1, 2002.

Mr. Speaker, I invite the Members to try the new system at 1-800-661-0750. I am sure they will find the new system is quite an improvement over the old one. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Steen. Item 2, Ministers’ statements. The honourable Member for Nahendeh, Mr. Antoine.

Minister’s Statement 41-14(4): Economic Measures Meeting, Inuvik, November 21 to 23, 2001

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, there is an obligation under both the Gwich’in Land Claim Agreement and the Sahtu Land Claim Agreement for government and the aboriginal organizations to meet at least once every three years to review the economic development programs of government.

Specifically, Mr. Speaker, the intention of this meeting is to review the effectiveness of these economic development programs in meeting the economic measures objectives within the land claims agreements.

Mr. Speaker, I am pleased to announce that such a meeting is scheduled to take place next month from November 21st to November 23rd in Inuvik. The Gwich’in and Sahtu Implementation Committees have agreed to hold this meeting jointly as both land claims have similar provisions. The first three-year review meeting, which was also a joint meeting with the Gwich’in and the Sahtu, was held in December of 1998.

Mr. Speaker, there are a variety of programs in place, both territorial and federal, that are intended to promote economic growth. This meeting provides the Gwich’in Tribal Council and the Sahtu Secretariat Incorporated the opportunity to sit down with government and discuss the effectiveness of these programs in their respective areas. Officials from federal and territorial government departments that have programs and services to promote economic development will be on hand to provide presentations and answer questions.

Mr. Speaker, one of the outcomes we are seeking from the meeting is the development of a set of indicators. It is the GNWT’s hope that these indicators will assist in the evaluation of programs for future three-year reviews.

This meeting is part of the government’s continuing commitment to fulfill our obligations under the land claims agreements and to provide effective economic development programs. Mahsi, Mr. Speaker.

MR. SPEAKER: Mahsi, Mr. Antoine. Item 2, Ministers’ statements. Item 3, Members’ statements. The honourable Member for Thebacha, Mr. Miltenberger.

ITEM 3: MEMBERS’ STATEMENTS

Member’s Statement on Issues Arriving From the Conflict Committee Report

MR. MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the tabling of the report of the Special Committee on Conflict Process has triggered a number of events that are now before this House. Mr. Speaker, all the issues have been dealt with. The one outstanding issue is the conduct of some of the senior staff in the Premier’s office.

Mr. Speaker, we have all been witness to and felt the impact of all the events outside this House that have been initiated to bring a focus to this, to bring pressure to bear on the Members of this Assembly as we try to do the business of government.

Mr. Speaker, I would like to clearly point out some facts as I see them. The general running of government by the Premier and Cabinet is not the issue here for me. As I have said in other forums and I will say here, I believe that I support at least 90 percent of the work, programs and initiatives that the government has undertaken. I may not agree on all the ways that things are being done but for the most part, Mr. Speaker, it is not a question in that area. I will say that publicly here today as I have said in other forums.

What I do have an issue with is a very specific but fundamental issue of what is appropriate conduct for the most senior civil servants in the land, based on the evidence and transcripts that were heard and presented to the special committee. That is an issue that we have to deal with as a House with the Premier and Cabinet. There is time to deal with this issue and I think there is flexibility and room to move. In fact, I believe we are almost halfway there. I understand that the principal secretary has done the honourable thing and tendered his resignation.

Mr. Speaker, we are under a significant amount of pressure to respond. I think it is time for all of us to take a breath and a step back, outside of the heat of the moment and the
immediacy of the rapidly unfolding events, as legislators of the Northwest Territories...

MR. SPEAKER: Mr. Miltenberger, your time for your Member's statement has expired.

MR. MILTENBERGER: Mr. Speaker, I request unanimous consent to conclude my statement.

MR. SPEAKER: Thank you, Mr. Miltenberger. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays but I would just caution Members about Rule 23, section (c), persistent and needless repetition or raising matters which have been decided during the current session. The Chair is sensing that there is drifting in that direction, so I will caution Members not to go that route. Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Speaker. Thank you for that guidance. To conclude, Mr. Speaker, I just want to make the point that I think it is important for all of us as legislators to step back and to look at this very carefully. We have time and there is room to move. We want to deal with this issue in a positive way, close the book on this so that we can move on with the very many important issues before this Assembly and with the government. In my mind, if we do this the right way, it should be a question of resounding confidence on Wednesday. Thank you.

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

Member's Statement on Process to Determine the Confidence Level in the Premier

HON. JAKE OOTES: Thank you, Mr. Speaker, Mr. Speaker, the Legislative Assembly press release issued this morning announced that a Territorial Leadership Committee will be held on October 31, 2001, to fill a Cabinet post. Further, it says a yes or no question will be posed on our confidence in the Premier. The vote is to be by secret ballot.

My constituents should know that I do not agree with the process of conducting a secret ballot on the Premier's leadership. I strenuously object to the clear lack of transparency in it. We pay lip service to openness, to transparency and accountability. The people are not stupid. They will see through this and they will judge us harshly and rightly so.

There is no transparency in this process. None. Let us practice what we preach. If we are to have this vote, let the public have the opportunity to hear the question on Premier Kakfwi's leadership, why it needs to be tested, though I personally do not think this is the time for it. However, if it is so, then I am prepared to speak at length on this issue and so should all Members. Let it be open.

The process calls for the Premier to speak for 30 minutes then everyone votes. This is not, in my opinion, a fair process. In such a serious matter, he has 30 minutes to defend his political life.

Let all our electorates see clearly how we have come from investigating a bias complaint to a question of confidence in the Premier, against whom there is no accusation on the floor of any wrongdoing.

Let there be evidence before all residents of the Northwest Territories as to why this vote is needed at this point in time in our politics.

The people deserve to know this. Let each of us speak to this and then cast our ballots on the Premier's leadership in the open. That is transparency.

The Supreme Court Justice commented to me a while back, Mr. Speaker, his feelings of disgust that we still have leadership elections by secret vote. Pompous words from someone of the stature of the Supreme Court Justice. We owe it to the people for them to see how we...

MR. SPEAKER: Mr. Ootes, your time for Member's statements has ended.

HON. JAKE OOTES: Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER: Thank you, Mr. Ootes. The honourable Member is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays, Mr. Ootes, you may conclude.

HON. JAKE OOTES: Thank you, Members. We owe it to the people for them to see how we discharge our responsibilities in this House. Let the light shine on the process. Let this Premier have the full and unrestricted time to speak, if he chooses, to his deeds. Let us have an open debate on tenure if we must and let us have an open vote on his leadership, if we must. Let posterity not have to guess at our deeds but let it judge us because we had the courage to do deeds in the open. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Premier's Efforts to Garner Support From Aboriginal Leadership

MR. ROLAND: Thank you, Mr. Speaker. Mr. Speaker, the unfortunate events that have occurred over the last couple of days and the full court press, as some would say, that is being applied to Members from outside this arena is very disappointing indeed.

Mr. Speaker, some Members here may feel that as a result of decisions of this House in the last couple of days, that this event has come to light.

Mr. Speaker, I have very serious, ongoing concerns with what has been occurring. In public, our Premier stated as early as this morning, I believe, and made some other reference -- in public -- to the backroom discussions that are going on in this Assembly and in the halls.

Mr. Speaker, the Premier is well aware of what happens in politics. He has been a Member long enough and he has taken part in that. In fact, Mr. Speaker, I would even state that the
backroom goings on and shenanigans are occurring even as we speak today.

To say that does not approach Members of this House, as we have discussed, and put it on the line as to where he stands, instead goes and makes calls to other leaders of this Northwest Territories, calls in the Liberal regime to speak to other Members of this Assembly and we have another Minister of this House stand up and call for a free vote -- Mr. Speaker, I have serious concerns with what is going on here.

Through the Territorial Leadership Committee, Mr. Speaker, we have done, by tradition, voted in a way that is a matter of secret ballot. It has been tradition. Now, suddenly in this one situation, we want to turn it around, ongoing with what has been happening behind closed doors.

Mr. Speaker, I have very seriously considered that in fact, in this situation, we have the pot calling the kettle black. Thank you.

Mr. Speaker, I am talking about the youth, people between the age of 16 and 25. Those people have to have a feeling of ownership of what is going on around them. They have to have that opportunity of getting that first job and being able to work their way into a specific trade or having the opportunity to be able to take advantage of the opportunities that are there.

We have a lot of young people in our communities who have the potential, but because they do not have that experience on a resume, they are not getting those jobs. I think we have to push industry a little bit to make sure, through this government, through the training and resource dollars we have, to offer training programs -- that we open up that door for those young people in our society to give them that opportunity.

I think industry has to realize that the developments they have just been named recently for refusing to withdraw certain words that were found offensive. I just find this is the same thing. Thank you.

Speaker's Ruling

Mr. Speaker: Thank you, Mr. Kakfwi. The point of order, the Member has been specific with the word, the word "shenanigan", which he finds offensive. I would, I guess in the hopes that this could be resolved very quickly rather than have to reserve, I will ask the honourable Member for Inuvik Boot Lake if he would withdraw that word "shenanigan". Mr. Roland.

Mr. Roland: Thank you, Mr. Speaker. The particular term the Premier is concerned with, "shenanigans", I will withdraw that and then I will qualify my points from here on in and ensure that I have transcripts of what is actually said. Thank you.

Mr. Speaker: Thank you, Mr. Roland. The matter has now been dealt with, the point of order that the honourable Member for Sahtu has raised, and the specific word “shenanigan” has been withdrawn at the request of the Chair by the honourable Member for Inuvik Boot Lake. That matter is now concluded.

Item 3, Members' statements. Next on my list is the honourable Member for Mackenzie Delta, Mr. Kruko.

Member's Statement on Maximizing Benefits From Economic Development Initiatives

Mr. Kruko: Thank you, Mr. Speaker. Mr. Speaker, to get back to the business of this House, I feel that this government has to do more to ensure that we are receiving the maximum benefit from the oil and gas and diamond activity that is happening in the Northwest Territories. I feel that we have to do more to ensure that industry is living up to its obligations. They put in place benefit agreements and socio-economic agreements, but yet, Mr. Speaker, there is a large segment of our population who are not benefiting from these oil and gas activities.

Mr. Speaker, I am talking about the youth, people between the age of 16 and 25. Those people have to have a feeling of ownership of what is going on around them. They have to have that opportunity of getting that first job and being able to work their way into a specific trade or having the opportunity to be able to take advantage of the opportunities that are there.

We have a lot of young people in our communities who have the potential, but because they do not have that experience on a resume, they are not getting those jobs. I think we have to push industry a little bit to make sure, through this government, through the training and resource dollars we have, to offer training programs -- that we open up that door for those young people in our society to give them that opportunity.

I spent some eight years in the oil and gas industry. I started at the bottom and worked my way up. I was given that opportunity and I made a career out of it. I think that is all we can ask for from this government and for the people that we represent to ensure they have that opportunity like a lot of us have had.

I think industry has to realize that the developments they have are for the future generations that we keep talking about. I think we have to also realize that the opportunities that these developments bring have to be meaningful. We cannot have all the development and start looking at the statistics with regard
Mr. Speaker, I want to assure all of the Members in the House and my constituents that I do not operate with ulterior motives. I believe we have a full agenda. We have an important agenda in delivering the best programs and services for people that we can. We have a lot of great opportunities in front of us. It is time for us to begin to get back on course and let us do what the people put us here for.

With that, Mr. Speaker, I just want to again say that we need to get on with our purpose here. Thank you.

-- Applause

Mr. Speaker, the Hay River public library has occupied the same building in Hay River for some 30 years. This library has the highest program attendance of all libraries in the Northwest Territories, including Yellowknife. It leads all small libraries in the North in materials lending. The Hay River public library is much more than a simple book-lending service. It has become a highly used community centre, providing for the educational and recreational needs of our youth and all alike. For instance, Mr. Speaker, it had a total program attendance of over 5,000 people in the year 2000.

Mr. Speaker, this Assembly has spent a great deal of resources addressing the needs for literacy in the Northwest Territories. Libraries contribute a great deal towards enabling our residents to become literate.

Mr. Speaker, I believe strongly that the Department of Education, Culture and Employment should revisit its current formula of funding libraries throughout the North. I believe that a more equitable funding arrangement for our libraries would be to have population-based funding. If this funding arrangement meant more money for certain libraries, these additional funds should not come out of the Northwest Territories Library Services budget. If this was done, the libraries throughout the North would suffer as a result. If there was an increase, it should come from extraordinary funding.

I believe it is high time, Mr. Speaker, that this government examines its spending habits and this includes allocating some badly needed funds to our libraries. At the appropriate time, Mr. Speaker, I will have some further questions to the Minister responsible. Thank you, Mr. Speaker.

Mr. Speaker, I would like to address an issue at this time that affects a great number of residents in Hay River and the surrounding area. The issue I refer to is the condition of the NWT Centennial Library in Hay River.

Mr. Speaker, the Hay River public library has occupied the same building in Hay River for some 30 years. This library has the highest program attendance of all libraries in the Northwest Territories, including Yellowknife. It leads all small libraries in the North in materials lending. The Hay River public library is much more than a simple book-lending service. It has become a highly used community centre, providing for the educational and recreational needs of our youth and all alike. For instance, Mr. Speaker, it had a total program attendance of over 5,000 people in the year 2000.

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Mr. Speaker, I believe strongly that the Department of Education, Culture and Employment should revisit its current formula of funding libraries throughout the North. I believe that a more equitable funding arrangement for our libraries would be to have population-based funding. If this funding arrangement meant more money for certain libraries, these additional funds should not come out of the Northwest Territories Library Services budget. If this was done, the libraries throughout the North would suffer as a result. If there was an increase, it should come from extraordinary funding.

I believe it is high time, Mr. Speaker, that this government examines its spending habits and this includes allocating some badly needed funds to our libraries. At the appropriate time, Mr. Speaker, I will have some further questions to the Minister responsible. Thank you, Mr. Speaker.

Mr. Speaker, I would like to address an issue at this time that affects a great number of residents in Hay River and the surrounding area. The issue I refer to is the condition of the NWT Centennial Library in Hay River.

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let you know I will be using my time in item 9, replies to opening address, to expand on this statement. Thank you.

MR. SPEAKER: Thank you, Mr. Steen. Item 3, Members’ statements. The honourable Member for Great Slave, Mr. Braden.

Member’s Statement on Support for Premier Kakfwi

MR. BRADEN: Mr. Speaker, thank you. Like other Members, the events of the past couple of days have caused great concern and among my constituents, the most significant thing that they have been asking is where am I on the very critical issue of confidence in the Premier? I will be issuing a press release later on this morning, Mr. Speaker, and I would like to read this:

Great Slave MLA Bill Braden has declared his confidence and support for Premier Stephen Kakfwi to stay on the job and continue the progressive agenda he has been leading for the past two years. Stephen Kakfwi has had my support since the beginning of the 14th Assembly. I want to make it absolutely clear that I want him to stay. I believe he has the support he needs among the broad Northwest Territories community and among MLAs. I expect that he, and the Assembly, will come out of this confidence issue with a clear mandate to stay the course.

In the October 24th Legislative Assembly debate on the Special Committee on Conflict Process, Mr. Braden supported the Premier and the need for confidence. He has stressed many investor and government agendas that are now underway -- including self-government plans, devolution, pipeline and diamond development -- would be seriously jeopardized by a change in leadership at this critical and challenging time in the Northwest Territories.

Thank you, Mr. Speaker.

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

Member’s Statement on Reflections on Range Lake MLA’s Comments

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to set the record straight for my constituents, the constituents of Range Lake and the residents of the Northwest Territories. Yesterday in this House, we heard Ms. Lee’s comments about the conflict process. The comments made were a mistake on the Member’s part. She suggested that meetings were held in private to allegedly unseat the Premier. This was not the case.

There was a process discussed on how to show confidence in the Premier. This was done with all 19 Members present. Mr. Speaker, I believe Ms. Lee misled the public by telling the House certain MLAs were trying to unseat the Premier. Anyone watching knows it was the Premier’s office that was discussed and how to deal with it to bring back the confidence to the office.

I want my constituents to know that one Member did make a mistake. Now the Legislative Assembly is being told it looks like there was wrongful doing by the special committee. However, this is not the case, Mr. Speaker. The Member went on, went ahead and named Members of the conflict committee, saying it was very clear who had written the report and who was behind this alleged palace coup.

The special committee was mandated by the Legislative Assembly to report back to it with the recommendations. In the Member’s statement, she failed to mention the wrongful activities in the Premier’s office by the staff. This was the issue in front of us all, Mr. Speaker.

As elected Members, we should not condone these kinds of wrongful activities. By condoning these activities, we fall into the same category.

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

Member’s Statement on Moving Forward in a Positive and Productive Manner

HON. JIM ANTOINE: Mahsi, Mr. Speaker. Mr. Speaker, I want to speak as the MLA for Nahendeh and my involvement with the events that are unfolding around us and how we are all drawn into it whether we like it or not.

Before coming to the Legislative Assembly this fall, I did tour my communities and I did talk about the different legislations that are going to be put forth in this House and some of the events that unfold around us.

The question was raised about the special committee’s work on the conflict process and what was going to come out of it. At that point, I did not see the report so I did not know what was going to happen and what the recommendations were going to be. I did say to my constituents that things are going to get ugly. If it is unparliamentary then I apologize and withdraw it, but I did say that things are going to get ugly in this House.

By that I meant that I could not predict what was going to happen and therefore I could not ask my constituency how to deal with it. Just thinking about the events of the last couple of days and where we find ourselves with the credibility of the Premier on the line here and how we are going to deal with it. There are suggestions of a vote and so forth on it. With the events from earlier today too, as part of the whole scenario of having one of our Members named, I am not questioning the decision of the Speaker, but my view is that as MLAs we are here to represent our people. We did make commitments for our people that we will try the best we can to represent them and that we use our best judgment for the good of the people of our community.

That means that there are differences of opinion in this House. Just because someone has a different opinion from you does not mean they are right and you are wrong or that you are wrong and they are right. This is how things are in the North. This is how things are in the world. We have to be able to be
doubts. Conflict of Interest Commissioner's submissions also raises the tape and in the report regarding the truthfulness of a certain amount of unease about honesty as a result of the Commissioner’s report and the Conflict of Interest Commissioner's conduct, I was shaken. When he could have said nothing, abstained from the vote or voted against the recommendation, he said instead, "I do not think I could live with myself if I support this. It is going to severely damage an individual and for what? Is that serious in my mind? I would have to say no."

Mr. Speaker, this hurt me very, very deeply and very personally and is the reason why I am now struggling with that very longstanding and deep respect and loyalty for our Premier. I wanted to be up-front and honest today and tell him that publicly. Thank you.

-- Applause

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

Member's Statement on Process to Determine the Confidence Level in the Premier

MR. BELL: Thank you, Mr. Speaker. I rise today because I believe the Premier of the Northwest Territories has asked Members to either publicly state their displeasure with his leadership or show their support. Mr. Speaker, I have to say, first of all, that I have supported this Premier from the beginning. I continue to support him today, contingent on his ability to act on the fourth recommendation, which was to restore integrity to this government.

Mr. Speaker, in my mind, I will make my decision on Wednesday before voting in a secret ballot as to whether or not the Premier has in fact done this. Mr. Ootes has suggested that a secret ballot is probably not advisable and not desirable, and the Premier has in fact done this. Mr. Ootes has suggested that a secret ballot is probably not advisable and not desirable, and the Premier has in fact done this.

Unfortunately, I do know that many Members have been lobbied, some may have even been threatened, and certainly not by Cabinet and not by this Premier, but there are overzealous people who take these kinds of things maybe a little too far. Mr. Speaker, I think the only way to act on the fourth recommendation, which was to restore integrity to this government.

Mr. Speaker, in my mind, I will make my decision on Wednesday before voting in a secret ballot as to whether or not the Premier has in fact done this. Mr. Ootes has suggested that a secret ballot is probably not advisable and not desirable, and the Premier has in fact done this.
Member's Statement on Apologies to Hay River South MLA

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. I want to make threats. I simply asked that each member of the public, community leaders and chiefs to ask their MLAs to be categorical and clear on where they stand.

I have no condone and encourage that I have spoken to individual Members in this House to convey that. I simply want to know, does the public support me? Has their confidence been shaken? I believe that the confidence has been demonstrated and is continuing to be demonstrated to me.

MR. SPEAKER: Excuse me, Mr. Kakfwi, your time is up for your Member's Statement.

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. I would ask the Members' consent to conclude my remarks.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to conclude his Member's Statement. Are there any nays? There are no nays, Mr. Kakfwi, you may conclude your Member's statement.

HON. STEPHEN KAKFWI: Mr. Speaker, as a Member of this House, it is important to me to know whether or not there are suggestions made that the confidence of the public, the voters and the constituents, the leaders, the chiefs, the mayors, the business people of this Territory have been eroded, diminished or vanished as a Member of the Legislature. I want to know that.

So I have asked if in fact it is true on the basis of the decision I would like to make on Monday. I think that it has been amply demonstrated, perhaps not in the way that is acceptable to everyone, but there is tremendous support for this government and it continues to build.

This is a stone, Mr. Speaker, that was sent to me. It is not for throwing but from people who have come together. It says that this is a stone we have used in worship last Sunday as a symbol of the strength of this land.

MR. SPEAKER: May I interrupt you, Mr. Kakfwi. Member's statements are to be made on one subject. The Chair has been very lenient in allowing you to wander into at least two, possibly three different subjects here in the time allocated. I am going to call you on this and ask that you conclude your original statement, which dealt with the Conflict of Interest Commissioner and the decision you had made on that. You have gone beyond the one subject. If you want to conclude on your subject in your Member's statement, Mr. Kakfwi, please continue.

HON. STEPHEN KAKFWI: Mr. Speaker, in regard to the honourable Member, Mrs. Groenewegen, again I want to reiterate that I have supported her in every way that I could. I have also tried to protect this government and make sure that we conduct ourselves in the best way we can and still live with our conscience. I think she knows the extent to which I have gone to support her. If she has been disappointed and somewhat devastated by my vote on that, I am not sure what to say. I should have at least taken the time to explain but there has been very little time for many things. I just want to extend that to the Member, Thank you.

MR. SPEAKER: Thank you, Mr. Kakfwi. I just want to remind Members that the rule that I did quote here earlier about one subject within the allocated time period. The time for Members'
ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

I would like to take this opportunity, colleagues, to recognize the delegation of 12 Russian visitors who are in the Northwest Territories as part of the Institution Building for Northern Russian Indigenous Peoples' Project. These visitors are from three areas of Russia: the Taimyr, the Yamal-Nenets, and Khanty-Mansisk. They are part of a training program that aims to strengthen the economic capacity of selected Russian regional governments by sharing practical Canadian experience with economic development programs and services.

Also traveling with the delegation is:

- Ms. Diana Merlini, who is with the Canadian International Development Agency, which is funding the project;
- Ms. Thembi Kamanga-Silundika, who is with Indian and Northern Affairs Canada, which has partnered with the Government of the Northwest Territories on the project; and
- the two very essential and able interpreters, who I have had the chance to meet, Ms. Ann Mollon and Ms. Irene Saharov.

I would like to welcome you to our Legislative Assembly. Please make them welcome.

-- Applause

I may note that a couple of the members have been here before in 1991 and back again, so welcome to our Assembly and nice to see you.

Item 5, recognition of visitors in the gallery. The honourable Member for Weledeh, Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I would also like to recognize two Resources, Wildlife and Economic Development employees who are with the delegation. I say Resources, Wildlife and Economic Development, but they are really Business Credit Corporation, Afzal Currimbhoy and Shannon Roberts. Shannon is one of our interns and a Northerner with a degree in commerce. Thank you.

MR. SPEAKER: Thank you. Item 5, recognition of visitors in the gallery. The honourable Member for Mackenzie Delta, Mr. Krutko.

HON. JAKE OOTES: Thank you, Mr. Speaker. Yes, we are working with industry on an ongoing basis to ensure that we have maximum northern benefits on any kind of development that is happening. We have socio-economic agreements with the mining companies. We are in the preliminary stages of doing the same thing with oil and gas companies.

Some of these have to be different, Mr. Speaker, because of the nature of the work that is being done, so it is very difficult to have one policy other than a very general, generic policy that would apply to everyone. Thank you.

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

Supplementary to Question 143-14(4): Oil and Gas Opportunities for Youth

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, as a government, we have existing policies already. I think what we have to do here, Mr. Speaker, is we have to find a way to enhance the industries’ employment policies and mold them

-- Applause

MR. SPEAKER: Thank you. Any further recognitions? I would like to say welcome to everyone who is here and those at home watching.

Item 6, oral questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

ITEM 6: ORAL QUESTIONS

Question 143-14(4): Oil and Gas Opportunities for Youth

MR. KRUTKO: Thank you, Mr. Speaker. My question is for the Minister of Resources, Wildlife and Economic Development in regard to my statement. I think that as a government, Mr. Speaker, we have to do more to find the means of ensuring that everybody is taking advantage of these opportunities, especially in regard to the oil and gas and the diamond sector. In regard to the different agreements that we have with the oil companies and the diamond socio-economic agreements, they are different benefit agreements that have been signed off between groups and organizations.

I think that as a government, we have to have some sort of policy in place to try to maximize and also make industry aware that we are willing to work along with them as long as we start to see improvements in regard to the hiring, especially of those young individuals between the ages of 25 and 16, to give them those opportunities to get their foot in the door in these different sectors.

I would like to ask the Minister if he is working with industry to establish some sort of an agreement or some sort of policy within this government, or put something in writing so that we are able to make industry live up to these obligations that they talk about when they come up here to do this work.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Return to Question 143-14(4): Oil and Gas Opportunities for Youth

HON. JOE HANDLEY: Thank you, Mr. Speaker. Yes, we are working with industry on an ongoing basis to ensure that we have maximum northern benefits on any kind of development that is happening. We have socio-economic agreements with the mining companies. We are in the preliminary stages of doing the same thing with oil and gas companies.

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

Supplementary to Question 143-14(4): Oil and Gas Opportunities for Youth

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, as a government, we have existing policies already. I think what we have to do here, Mr. Speaker, is we have to find a way to enhance the industries’ employment policies and mold them
into our government policies so that we can work in conjunction with industry to ensure that we are also working with industry and visa versa. They are working with us to ensure our policies are consistent, that they are user-friendly and that we are meeting the goals we are setting and they are also achieving what they are setting. Are you looking at that possibility?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 143-14(4): Oil and Gas Opportunities for Youth

HON. JOE HANDLEY: Mr. Speaker, yes we are. Both RWED and ECE have been working very closely with industry on that. The best example of a very successful program was the oil rig floorhand training program we ran in Inuvik last summer, which trained people. Those people had to live up to the company’s policies, the company’s procedures and guidelines and at the same time, live within our guidelines and policies. That is a good example of the kind of training. I anticipate doing more and more of that with exploration companies and certainly with the pipeline companies when we get to that point. Thank you.

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

Supplementary to Question 143-14(4): Oil and Gas Opportunities for Youth

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I also believe that we have to involve the aboriginal groups in this regime, who are working on a process called resource revenue sharing. In that process, there is a section which talks about benefit agreements and exactly spells out what those benefit agreements are going to look like through legislation once they devolve to this government.

I would like to ask the Minister, do you have someone within your department working along with the aboriginal groups and the federal government to ensure that when those transfers take place, the legislation that we have will fall into place so that all our legislation we have in place right now will be consistent all the way through, so we will be able to meet the goals and objectives we set through that legislation?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 143-14(4): Oil and Gas Opportunities for Youth

HON. JOE HANDLEY: Yes, Mr. Speaker, I agree with the points by the Member and I can assure him that we do have people in RWED who are working in that direction. In particular, I will make reference to the committee of deputies, headed by my deputy minister of RWED. That committee is looking at how we fit the Gwich’in economic measures into the oil and gas training that may be happening in that area, among other things that the same committee is looking at. We continue to place a great deal of emphasis on that and certainly include the aboriginal organizations. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. The honourable Member for Mackenzie Delta, Mr. Krutko, your short, final supplementary.

Supplementary to Question 143-14(4): Oil and Gas Opportunities for Youth

MR. KRUTKO: Thank you, Mr. Speaker. The Minister touched on my second supplementary. My final supplementary was the whole economic measures section of different land claim agreements. In the Inuvialuit, you have participation agreements and in the Gwich’in and Sahtu agreements, and then in the Dorgb agreement there is an economic section. I think the government has to also ensure there is speedy legislation in place to ensure those obligations are met.

I would like to ask the Minister exactly where are we in trying to ensure that legislation is put in place so that it does fall in line with other legislation that we have?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for the Department of Resources, Wildlife and Economic Development, Mr. Handley.

Further Return to Question 143-14(4): Oil and Gas Opportunities for Youth

HON. JOE HANDLEY: Mr. Speaker, we are not at the point yet where we have begun drafting legislation, although I understand from Mr. McLeod that the committee has met with the Gwich’in and I believe some of the Sahtu people and have agreed to an MOU of how they are going to arrive at that point. I do not know that that MOU is finalized at this date but I know they have had those discussions. Thank you.

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

Question 144-14(4): Impact Benefit Agreement Payments

MR. LAFFERTY: Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment. I would like to ask the Minister what he and his department have done about the clawbacks to income support on the funds from impact benefit agreements? Thank you, Mr. Speaker.

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

Return to Question 144-14(4): Impact Benefit Agreement Payments

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, I have had two meetings now with some officials from the Dogrib Nation to see how to work on the IBA issue in regard to the income support area. As a matter of fact, I have a copy of a letter that I will be distributing today -- I just signed it about an hour ago. Mr. Speaker, two hours ago, I guess now -- to suggest some possibilities of how to possibly work on resolving the issue.

We are interested in continuing discussions on this matter. Mr. Speaker, I know the Member is certainly extremely interested in ensuring that we move forward on this issue. We are, as I say,
discussing this with some of the officials from the Dogrib Nation. Thank you, Mr. Speaker.

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

Supplementary to Question 144-14(4): Impact Benefit Agreement Payments

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to ask the Minister if, in the past that his department was getting a legal interpretation on the clawbacks. I would like to ask the Minister why has he not given us the legal interpretation to date? It has been a year, Mr. Speaker.

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

Further Return to Question 144-14(4): Impact Benefit Agreement Payments

HON. JAKE OOTES: Thank you, Mr. Speaker. When I looked at the document, it does restrict the distribution of that particular document. Mr. Speaker, as an internal document. I was unaware of that at the time so I could not share it openly, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, M. Lafferty.

Supplementary to Question 144-14(4): Impact Benefit Agreement Payments

MR. LAFFERTY: Thank you, Mr. Speaker. I would like to ask the Minister if, in the document -- I know he is saying that he cannot share it but would the legal interpretation be in there? Thank you, Mr. Speaker.

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

Further Return to Question 144-14(4): Impact Benefit Agreement Payments

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, if my recollection is correct, it comments on the whole issue of the impact benefit agreements versus the Income Support Program and that was the gist of the legal interpretation, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Mr. Lafferty, final supplementary. No supplementary? Item 6, oral questions. The honourable Member for Hay River North, Mr. Delorey.

Question 145-14(4): Literacy Strategy Funding

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I am not sure if anybody heard my Member’s statement today but I will take a chance and ask questions on it anyway.

Mr. Speaker, this government has devoted countless resources to the very worthwhile endeavour of literacy strategies for residents of the Northwest Territories. The Minister stated on February 23, 2001, with regard to literacy, “Literacy contributes directly to a higher quality of life for individuals. A key goal of this government’s vision of educated Northerners making responsible personal choices for themselves and their families.”

Mr. Speaker, I could not agree more. The agencies delivering literacy programming in our communities, our libraries, for example, need to be provided the resources to deliver programs to eradicate illiteracy. Would the Minister please indicate to this House if our libraries throughout the North have been provided with an increase in their budgets for 2001-2002 due to an increased emphasis on literacy in the North? Thank you, Mr. Speaker.

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

Return to Question 145-14(4): Literacy Strategy Funding

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, the Literacy Strategy did, if I recall correctly, have a portion in it to provide and extend library services in the Northwest Territories so that all communities, I believe all communities in the Territories will receive library services.

As you know, we had the Gates Foundation gift of $350,000, in which we were able to extend virtual library services. In our Literacy Strategy, we are extending library services as well.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Delorey.

Supplementary to Question 145-14(4): Literacy Strategy Funding

MR. DELOREY: Mr. Speaker, as I alluded to earlier, the Hay River Library has occupied a building owned by the Department of Public Works for the past 30 years. This building is relatively old and has not had any significant maintenance or upgrades over this time. The ventilation, air quality and lighting systems need to be reviewed.

Would the Minister please indicate if he would be willing to work with the Minister of Public Works to carry out an energy audit and technical review of the Hay River Library building, as well as an analysis of the space needs of the library and the territorial library offices which are occupied in the same building? Thank you, Mr. Speaker.

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

Further Return to Question 145-14(4): Literacy Strategy Funding

HON. JAKE OOTES: Mr. Speaker, the issue of the Hay River Library was brought to our attention some time ago in our department. I have asked our department to look into this whole situation. There were some concerns with the funding process and formula for libraries. I do not have a problem with the request the Member is making and I appreciate him bringing that forward. I will work with the Minister of Public Works to see if we can put forward that suggestion. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Delorey.
Supplementary to Question 145-14(4): Literacy Strategy Funding

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, the library’s budget is stretched to the absolute maximum. The Hay River Library Board and their volunteers have to resort to holding yard sales, bake sales and other fundraisers in order to provide for their new equipment, furniture, children’s programming and updating the library’s music collection.

Would the Minister please indicate if he would be willing to visit the current formula for funding our libraries to allow for population-based funding for our libraries? Thank you, Mr. Speaker.

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

Further Return to Question 145-14(4): Literacy Strategy Funding

HON. JAKE OOTES: Mr. Speaker, there is no set funding formula for libraries and it is a problem within the act. I personally believe that the act does need updating. I think if we can have that opportunity to do that, then we can move forward on this whole issue. Thank you,

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

Supplementary to Question 145-14(4): Literacy Strategy Funding

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, the building that the Hay River Library occupies is unable to have air conditioning installed due to the age of the building. This creates a very unbearable situation for the patrons and staff of the library during the summer months. In the summer, the sun overheats the building, which is not ventilated. This is destroying the books as well as making the environment in the library unacceptable.

Could the Minister please state if his department would consider purchasing draperies for the Hay River Library windows in order to deal with this problem? Thank you, Mr. Speaker.

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

Further Return to Question 145-14(4): Literacy Strategy Funding

HON. JAKE OOTES: Thank you, Mr. Speaker. I really appreciate the comment the Member is making. As I said, I have the department working on this. I will personally go at some questions on the department as to where we are at with their comments on this. The Member’s question does not seem out of line, his request does not seem out of line but I do not know what kind of cost may be faced in that so I do have to take that into consideration.

I will look at it and see what we can do in that end, Mr. Speaker. Thank you.

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

Question 146-14(4): Teaching Religion in NWT Schools

MR. ROLAND: Mr. Speaker, an issue that I raised on a number of occasions during my previous term in this Assembly and I will do again here is in the area of education.

Mr. Speaker, when the Education Act quite a number of years ago was being relooked at, one area that was considered was local programming and how that would impact the different communities. One of the things that was occurring at one time in my constituency was religion classes in schools. I believe the act had basically said it cannot proceed. The people in my community were told it would be able to continue if it was considered a local program.

I would like to know from the Minister of Education, Culture and Employment that if in fact he would relook at that issue. I know it was pulled out of the schools and some pretty strict criteria was put in it. Seeing as this government has been dealing more liberally with residents of the Territory, I would like to know now if his department would relook at that issue and allow the community, if it so wanted, to once again provide for classes within the schools. Thank you.

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

Return to Question 146-14(4): Teaching Religion in NWT Schools

HON. JAKE OOTES: Thank you, Mr. Speaker. I would have to look at the act and the regulations in regard to the School Act and the teaching of religion within schools. I cannot make a commitment that any change could take place, but the Member has requested I look at the act and I will look at the act. Thank you.

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

Supplementary to Question 146-14(4): Teaching Religion in NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Hopefully a little more than look at the act, that he would be able to come back and provide some formal response as to the opportunities that might be there. Thank you.

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

Further Return to Question 146-14(4): Teaching Religion in NWT Schools

HON. JAKE OOTES: I am not sure I heard a question there, Mr. Speaker, but I certainly will look at the act and see. I need to interpret the act and become familiar with the details of it. Thank you.

MR. SPEAKER: Thank you. I think that is what the Chair heard as well. Supplementary, Mr. Roland.
Supplementary to Question 146-14(4): Teaching Religion in NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. Can the Minister be a little more definitive in what can happen? I know that he himself does not have to look at the whole act and do some interpretation. Can his department come forward with a review of that and potential options? Thank you.

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

Further Return to Question 146-14(4): Teaching Religion in NWT Schools

HON. JAKE OOTES: Mr. Speaker, I will look at it as expeditiously as possible. I just do not know with our schedule here how soon I can do that but I will pay appropriate attention to it, time-wise. Thank you.

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

Supplementary to Question 146-14(4): Teaching Religion in NWT Schools

MR. ROLAND: Thank you, Mr. Speaker. The time of the government and the time allotted to us that, whether we should have the ability to use the time of this House, the time of the government and the time allotted to us as Members. People question whether or not we should have the ability to use public funds, whether or not we should have the ability to use public funds, the time of the government and the time allotted to us as Members to deal with our own problems as Members. People question that, whether we should have the ability to use the time of this House, the time of the government and the time allotted to us as Members to resolve our own personal problems and conduct. It has been suggested that perhaps we should have another look at our legislation that governs this, that we do this in our own time and at our own expense because we do not seem to have anybody else who can do this for us and they are not prepared to pay for it.

The other position my people would say is quite important is whether or not we should have the ability to use public funds, public time and public resources to conduct ourselves properly, to deal with our own problems as Members. People question that, whether we should have the ability to use the time of this House, the time of the government and the time allotted to us as Members to resolve our own personal problems and conduct. It has been suggested that perhaps we should have another look at our legislation that governs this, that we do this in our own time and at our own expense because we do not seem to have anybody else who can do this for us and they are not prepared to pay for it.

Thirdly, we are, in fact, part of this show and the people are watching and they are concerned about what is happening in this House and how we are conducting ourselves.

I have been told that we are now competing with The Simpsons for popularity and comedy. That, Mr. Speaker, is something that is very serious. If that is in fact how we are being envisioned by the public we should all have another look at ourselves.

Maybe we do not realize it because we are not watching ourselves. We are, in fact, part of this show and the people are expressing it.

I think that is very serious because it takes away from the importance of this House, of the importance of us as Members. I think we should really take a serious look at how we conduct ourselves and whether we are conducting ourselves personally to represent our own interests or whether we represent the people at home.

I would like to make two points here that I think are important and that have been expressed to me. One is on the need for a secret vote when we are not -- in any of our elections, a secret vote is normally used when there are two candidates or more. There is no election here. We are just supposed to show whether we support someone or not. We are not supposed to show it as do we personally support it, but do we support him as representatives of the people we are elected by?

How can we possibly do that with a secret vote? I have been told that we are not to take part in a secret vote because it will not be expressive by showing my people whether I am voting as they wish me to vote. I will make that point. I do not believe that the secret vote will accomplish what it is supposed to do and that is to express our public confidence -- not our own confidence -- our public confidence or our public non-confidence in this government or in this Premier. That is the point. It is a very important point that we are not to vote as we feel like it, but as our people feel like it.

If there is no other avenue for me as a Member to express my public vote then I should not be taking part. The unfortunate part about that is that it would be considered as an absent vote. It would be a vote of abstention. That is not what I intend to do. If in fact there is a call for a secret vote, I will stand and I will express myself. I do not really mind which public forum that would be, whether it is in a leadership committee or not. If it is against the rules, then you are going to have to rule me out of order, but that is the position I am going to take.

The other position my people would say is quite important is whether or not we should have the ability to use public funds, public time and public resources to conduct ourselves properly, to deal with our own problems as Members. People question that, whether we should have the ability to use the time of this House, the time of the government and the time allotted to us as Members to resolve our own personal problems and conduct. It has been suggested that perhaps we should have another look at our legislation that governs this, that we do this in our own time and at our own expense because we do not seem to have anybody else who can do this for us and they are not prepared to pay for it.

Why do they bring this forward? We only need to look at what has happened over the last three or four years and how much it has cost this government in regard to conflict issues -- millions of dollars that we could have spent for social programs, on highways and then maybe there would not be a need for this highway toll existing or putting in place. That is what people are saying.
If we cannot conduct ourselves as professionals then we are in the wrong forum and we should be in kindergarten, not here.

Maybe I am a little strong in expressing what my people say, but that is the message. I think we should give serious consideration to the suggestions that we keep our own private problems to ourselves, behind closed doors if necessary, but we deal with the good of the public in this House and nothing else. Thank you, Mr. Speaker.

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**MR. SPEAKER:** Thank you, Mr. Steen. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. The honourable Member for Weledeh, Mr. Handley.

### ITEM 13: TABLING OF DOCUMENTS

Tabled Document 52-14(4): Workers' Compensation Board of the NWT and Nunavut 2000 Annual Report

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled Workers' Compensation Board of the NWT and Nunavut 2000 Annual Report. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Minister. Item 13, tabling of documents. Item 14, notices of motion. The honourable Member for Weledeh, Mr. Handley.

### ITEM 14: NOTICES OF MOTION

**Motion 11-14(4): Confidence in Premier Kakfwi**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. I give notice that on Monday, October 29, 2001, I shall move the following motion:

Now therefore I move, seconded by the honourable Member for Nahendeh, that this Assembly affirm its confidence in the Premier, the Honourable Stephen Kakfwi. Thank you.

**MR. SPEAKER:** Thank you, Mr. Handley. Item 14, notices of motion. Any further notices of motion? Item 15, notices of motion for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters: Ministers' Statements 1-14(4), 3-14(4), 4-14(4), 30-14(4) and 31-14(4); Bills 5, 6, 7, 9, 10 and 13, with Mr. Krutko in the chair.

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

**CHAIRMAN (Mr. Krutko):** I will call the committee of the whole to order. We are dealing with Minister's Statement 1-14(4), Minister's Statement 3-14(4), Minister's Statement 4-14(4), Minister's Statement 30-14(4) and Minister's Statement 31-14(4), Bill 5, Bill 6, Bill 7, Bill 9, Bill 10 and Bill 13. What is the wish of the committee? Mr. Dent.

**MR. DENT:** Thank you, Mr. Chairman. Mr. Chairman, I would like to first of all recommend that committee consider Ministers' Statements 1, 3 and 4 as being concluded and would ask that you ask the committee if they are willing to take those off the order paper.

For today in committee of the whole, I would like to recommend that committee considers Ministers' Statements 30-14(4) and 31-14(4) concurrently. Thank you.

**CHAIRMAN (Mr. Krutko):** Thank you, Mr. Dent. Does the committee agree that Ministers' Statements 30-14(4), 31-14(4) and 4-14(4) are concluded?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Krutko):** Agreed. After the break, we will continue on with Ministers' Statements 30-14(4) and 31-14(4). We will take a short break.

-- Break

**CHAIRMAN (Mr. Krutko):** I will call the committee back to order. We decided prior to the break that we will deal with Minister's Statement 30-14(4): Sessional Statement, and Minister's Statement 31-14(4): Financial Update. General comments. Mr. Roland.

**MR. ROLAND:** Thank you, Mr. Chairman. Just in the area of initial statements on the fiscal situation, I have had discussions in this area from time to time throughout our time here in the Assembly. I have an interest in what we are doing as the territorial government when it comes to our funding situation. The fiscal side of the equation and how we will leave things for the next Assembly and for the people of the Territories when we are done our time here.

Mr. Chairman, there have been a number of activities and to date, this government has been fortunate indeed to get a number of one-time cash dollars put into the coffers, they say. We continue to spend all of those new monies that do show up in the process of a yearly budget. Mr. Chairman, there have been a number of changes that have been alluded to in the Finance Minister's fiscal update of October 23, 2001.

In fact, I must go back to some earlier questioning I put in the House over the last couple of years as a Member of the 14th Assembly that refers to our debt wall and our fiscal situation. One of the things to clarify is what is our actual fiscal situation?

I know, for example, that this fiscal year again, because of the cash influx that has come our way, whether one-time or not, has helped to ward off our situation. Our outlook still looks pretty bleak. Government plans are put in place with a lot of things hanging out in the balance that there is no decision on yet, and relatively large ones.

We continue to hold royalty revenue sharing as one of the bigger pieces of the pie, so to speak, and how we can continue to operate as the Government of the Northwest Territories? We know that that issue will be a fairly slow process. When we first came in it was stated by the Finance Minister that we should have something as early as a few months into our term. Then it turned into the fall and the latest update is beyond 2003-2004.

Meanwhile, we continue to sort of put our plans and initiatives and strategies out there that will count on those dollars arriving. In the meantime, when things are getting tighter, we go to the people to help pay for the investments that are needed or are critical, as some would say.
I think we need to review our situation as a government when it comes to our fiscal position and in trying to ensure that the next Assembly and the people of the Territories are not put in such a position that we indeed will not have the ability to come out of it without having to make massive reductions.

That is something I believe no one wants to see here in this Assembly or in the Northwest Territories.

We are fortunate indeed, Mr. Chairman, to have the mining situation happening in the Northwest Territories. Due to their development, there are people being put to work. There is a new payroll tax and income tax being derived. There is even new corporate taxes that will come on-line.

In the oil and gas, especially in the gas play, in the Mackenzie Delta, there again are the opportunities for some increased revenue for this government. However, Mr. Chairman, I think we should evaluate how much that will be and what impact it will have on the government revenue situation. If it is large enough, maybe it is time we looked at putting some aside to ensure that the future days are not bound by reductions as we came through in the 13th Assembly, some of us that came through the 13th Assembly.

One thing we have to do is we are definitely impacted by the fiscal situation that the provinces in Canada find themselves in. That is how the federal government looks at its fiscal agreement with this government. If the jurisdictions in the south start to reduce it a large scale, that will definitely impact us negatively, as I became well aware of in my time in the 13th Assembly. It is something we need to build in some measures, I believe, that would see us try to put an insurance policy in place to help us along, if in fact those days would come forward.

It is difficult to put something in place if in fact we are outsourcing what we are receiving today, in a sense. In those areas, I think it would be prudent of us as a government to start looking at how we can start preparing and ensuring that the future governments and the residents of the Northwest Territories are not put in a position where they are going to see an increase in taxes, an increase in fees put upon them because we have outsourced our resources as they exist.

I know there is a lot out there that can come our way and be very positive for the Northwest Territories. We have talked about being a "have" jurisdiction. That is some time away. I think it is incumbent upon us to make sure that the plans that we put in place are definite ones that are achievable, especially if they are achievable in the lifetime of this government.

I go back to what seems to be the practice of every government coming in a new term, and it seems to be the practice that a new government would start its own new initiatives and not rely on the initiatives of an outgoing government. That is unfortunate at times because then we have to go back to the drawing board and start things over. In some cases, it is good. In many cases, I believe it is not very prudent of us to say, just for the sake, we are a new government, let's redo this and we will redo it our way.

In fact, Mr. Chairman, we have had a number of, for example, economic strategies done. There was the big one that was put forward by this government, the Non-Renewable Resource Development Strategy that was going to Ottawa and requesting over $200 million, almost $250 million. There was much praise given when we received the so-called down payment of $3.9 million.

I have not heard anything lately, Mr. Chairman, if in fact we received another payment of any sort. It would be interesting to hear if there is any further movement in that area. In fact, some of that strategy is being potentially used in an aspect of residents of the Northwest Territories making it come about, if in fact some of the government plans go ahead as they are presented.

With that, Mr. Chairman, I conclude my remarks.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. General comments on the Ministers' Statements, Sessional Statement and the Financial Update? General comments? We are dealing with the Sessional Statement and also the Financial Update. What is the wish of the committee, Mr. Roland.

MR. ROLAND: Thank you, Mr. Chairman. In another area of the sessional statement, this time I will refer to it. Earlier I was referring to the fiscal position. In the sessional statement made by the Premier, he urges us to hold the course in what we have worked on in our agenda. Mr. Chairman, I think again that it would be prudent of us to reflect on our agenda that was laid out two years ago and to see how much of that is still relevant today.

In light of the changes that are going to occur and potential changes that are more immediate than those that are further out, we are going to be impacted by how the federal government deals with the unfortunate incidents, as stated in the Premier's comments, in a sessional statement given again on October 23, 2001. He states: "The events of September 11th have and will continue to have a profound effect on the way we live, even in our remote northern communities."

Mr. Chairman, there is then a recognition that as a government, we should indeed look at our position and what we have set up, knowing that there is the potential for some negative reaction in the sense of economies and how we as the Northwest Territories will once again be impacted.

I agree there are a number of initiatives out there that we must continue on to help clarify and provide for the ongoing work that is needed. For example, the self-government tables that are out there. We need to continue to work on those initiatives because those are ones that would help us clarify politically the climate and how we as governments would operate. Then it would help us as well in the area of revenue sharing.

Mr. Chairman, I think it is time we take the opportunity to go back and review what we termed as the Towards a Better Tomorrow document and look at what needs to be done. In fact, are we heading towards a better tomorrow or is the potential we are living a better today, but tomorrow we will be suffering? That is something that we need to address in our plans and reaffirm, as 19 Members, how we see this situation proceeding.

Even in the government's own estimates, fiscal forecasting beyond this Assembly and early into the next, if we do not receive new sources of revenue, we indeed will be in a very tight situation.
I have come through the 13th Assembly. I have no way of wanting to accept that and accept that we as an Assembly would put that upon a future government. I think it is an issue that we must deal with and come out with again, either reconfirming the positions that were made or making some changes to the plans that were put out there. I believe it is only prudent of us to do that.

Those who would want to continue to go at the present rate we are without ensuring that, in fact, there is some sort of a check stop at some point to ensure that we are not going to go beyond what we are capable of coming out as a government. I think that is something we need to do. At the end of the day, whether we are here or not, the system will move along, dollars will flow, and it is just a matter of how much and where to.

I think it is something that is incumbent upon us again to reflect on and probably put more detail to. I have heard Members in this House talk about Towards A Better Tomorrow and how some initiatives can be thrown into that and justified quite easily because of the rather broad and open wording that is used and little to no detail. I think it is time we started to refine those and again assess where we are and what we will leave for the people of the Territories when we are done our term.

With that, Mr. Chairman, I will conclude my comments.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. General comments. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I do not have any general comments per se, but I do have some questions for more clarity, in particular on the fiscal update for Mr. Handley. I wonder if I could ask him some questions for clarification as we move along in order to try and get a better understanding of what he was saying in this fiscal update. I would seek some guidance from the Chair as to whether or not those general questions would be in order now.

CHAIRMAN (Mr. Krutko): I believe that if you have a question where you need more information, if the Minister is willing to oblige himself in giving that information, I do not see why that cannot happen here. It has been the practice before to get more clarification in regard to the issue you are dealing with. If it helps clarify that issue, so be it. Is that acceptable to the Minister? Mr. Minister.

HON. JOE HANDLEY: Yes, Mr. Chairman, certainly. Any way the Chair wishes to conduct it, I am open.

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

MR. DENT: Thank you, Mr. Chairman. If I might then, first of all, the Minister, in his statement, noted that in February when he presented the original fiscal strategy for the year, he presented a balanced operational budget calling for a small $2 million surplus. He noted that the borrowing would be primarily to finance capital investments. I was wondering if we could find out from the Minister what precisely was the amount of borrowing that would have to be undertaken to finance the capital this year and was the net change then forecast in the cash position?

In other words, although on the operational side we are not showing a deficit, in terms of the total cash expenditures for the government, I am assuming from this statement that there was in fact a deficit because we are spending more than what we have in revenues when you put both operations and capital expenses together.

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

HON. JOE HANDLEY: Mr. Chairman, I am assuming that the Member is referring to the February 2001 fiscal update, the fiscal framework, is that what you are looking at?

CHAIRMAN (Mr. Krutko): Clarification, Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I am looking at the fiscal update which is Minister's Statement 31-14(4), which was made in this House on October 23, 2001. On page 2 of our copy, the copy that was distributed in the House when the statement was made, the first full paragraph at the top of the page talks about launching the fiscal strategy in February. I am not referring to a specific document in February. I am referring to his statement in which he mentions the launch of the fiscal strategy in February and my question is based on that.

CHAIRMAN (Mr. Krutko): Thank you. Mr. Handley, have you found it?

HON. JOE HANDLEY: Mr. Chairman, in the fiscal framework that was presented to AOC on September 25th, that is our most recent one and that is the one on which our business plans are built, our capital investments amount of $98 million this year. That is the one the Member is referring to. For this fiscal year, we are showing a total cash surplus for the 2001-2002 year of $120 million. That reduces, based on current expected revenues and expenditures, to $29 million in 2002-2003 and $104 million in 2003-2004, by the end of 2003-2004. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. From that I am assuming, and I noticed that he mentioned later on in his statement, that there was a projected $75 million cash deficit which had been forecast but which we are now avoiding. The number I am specifically looking for is the difference between that $75 million deficit and the cash surplus and asking if we could have projected through to the end of the year, which I think he did. He said there was going to be a surplus number. He has answered the question I was looking for in a bit of a roundabout way.

I was wondering if he could also answer a question on the next paragraph from the one I was first talking about. He talks about a one-time increase in revenues of over $100 million, spread between the last fiscal year and the current year. Could he please indicate, just so the public understands, what is the difference? Not year-to-year, but how much more revenue has been received by this government over what was forecast in the budget that was presented to and passed by this House in March of this year?

CHAIRMAN (Mr. Krutko): Minister of Finance, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, if I could round these numbers off a bit, they are not exact. Since we did the budget and presented the framework in February 2001, we have received roughly $60 million that was the one-time adjustment that Minister Martin agreed to make on the PL factor in our
formula in the last fiscal year. However, we received it this year. Actually, it is the one-time $20 million of corporate taxes and then we are anticipating receiving here another roughly $80 million in one-time corporate taxes. That works out to roughly $160 million. Then of course there have been adjustments that have been made because of population numbers and other factors that came into play.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. On the next page of the Minister’s statement, he talked about how in the past few months alone the forecast revenue yield from our formula agreement has declined by over $100 million. I have had some experience with the formula, so I have an idea what may be causing this, but I think it would be useful for the public to have an understanding of what would cause the formula to fluctuate by $100 million in that period of time. I would ask the Minister if he could give us, in layman’s terms, an explanation so that the public might have some understanding of what has led to this change and what sort of impacts we can expect as a result of the world economy on our formula financing.

CHAIRMAN (Mr. Krutko): The Minister of Finance, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, that decline of over $100 million is forecast for the current and the next three fiscal years. If I look ahead after this current year, the next three years, then we are right now forecasting about $100 million decline in the formula.

We are anticipating most of that will come from anticipated reduced spending on the part of Canada and the provinces. That is based on the Conference Board of Canada forecast of our economic future. These are very much forecasts on what is happening in Canada and how it may impact. That is the biggest adjustment.

Second is we also have some ongoing concerns with regard to population numbers and differences on Stats Canada’s estimates. We have included that factor in as well. We will get Stats Canada population numbers, which make a big difference in our formula. We will hopefully get those next summer. At this point, I cannot really predict it.

Essentially, to answer in layman’s terms, what is happening is spending is projected to decrease across Canada by all governments, all consumers. That will have an accumulated effect of about $100 million over the next three years.

CHAIRMAN (Mr. Krutko): Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I had been hoping that the Minister might engage in a bit of an explanation about the provincial local escalator clause, the spending clause that relates to provincial and local spending in the formula financing arrangement. I am not sure that the public understands how economic change in other parts of Canada impact on our revenues.

CHAIRMAN (Mr. Krutko): The Minister of Finance, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, our formula is a fairly complicated one. Two of the main factors that have an impact on us are our population numbers and provincial local spending across Canada. The government works out the spending increases or decreases that might be across Canada and, based on a ratio, then adds that or uses that in calculating our money. If provincial local spending across Canada goes down, then there will be a downward adjustment of our revenues as well. If provincial local spending goes up, we will get an increase.

I believe that is based on the assumption that we will experience the same kinds of trends and should benefit from the same kinds of trends that are happening across Canada. If we were in a period of economic growth, it would not just be the federal government that would get the benefits of economic growth in the Territories. We would also get some of that built back into our formula. I do not know if that helps with the explanation or confuses it.

On the population factor, which is another major factor, then our formula is adjusted according to our population growth or decline. Again, there is a formula for working it out but it works out to roughly $13,000 to $15,000 per person, which is the basis for calculating our formula. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. We are dealing with Minister’s Statement 30-14(4), Sessional Statement and Minister’s Statement 31-14(4), Financial Update. General comments. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Just to carry on with my questions for the Minister, in the opening paragraph of the statement, the Minister talked about the fiscal strategy of the government calling for critical investments to ensure that Northwest Territories residents benefit from resource development. I think all Members of this House have supported that initiative. Obviously, it is going to cause us some concern if there is going to be a drop in revenues that it may cause some squeezing in our ability to borrow, because the Minister has also noted in this statement that we have limited capacity to handle borrowing, particularly in advance of seeing resource royalty revenues.

Just so that the public has a better understanding, and I think all of us here, what lies ahead? Knowing we have had some one-time revenue increases but understanding that we are still looking at expenditures each year that exceed projected revenues, could the Minister project for us, based on current levels of spending and on what are now anticipated levels of revenues, when would we project that? If we do not make some changes, either on the revenue side, being successful at resource revenue sharing or on the expenditure side, maybe making some trimming necessary, when would we hit that so-called debt wall? Would it be 2006-2007, 2007-2008? Does he have a sense right now of how many years we have to either be successful on the revenue side or that we are going to have to start looking at expenditures?

CHAIRMAN (Mr. Krutko): The Minister of Finance, Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, again, as you know, there are a lot of things that can happen, including more one-time money, changes in population and so on. If everything stayed just the way it is today, our population did not grow, we did not get any more corporate taxes, one-time or ongoing from the mines, the economy in Canada continued to decline as projected by the Conference Board, then it would be some time. By my projections, probably some time in the 2004-2005
fiscal year that we would be in very much of a cash crunch where we would not have enough money without increasing our borrowing. That is if everything stayed the same.

That actually, Mr. Chairman, puts us in a better position than we were when we came into this government. When we came into government, we were within months of having to either increase the borrowing limit or essentially be bankrupt. When I look over the next couple of years, in April 2004, we would be getting close. We would be within $50 million to $60 million of that limit. Then, of course, it would depend on spending patterns during the year 2004-2005 as to what would happen.

If we look at 2002-2003, we are still looking at about a $30 million surplus that year. That is a cash surplus. Then, of course, because our spending is exceeding our revenues, we are losing quickly.

I am optimistic though, and again I am probably more optimistic than my department is, but I am optimistic that we are going to see substantially increased corporate taxes paid, certainly by Ekati Mine and then probably by 2004-2005-2006 by Diavik Mine. We are going to see a population growth. I do not think it is as dismal as it sounds. I think, and I am an optimist, but I think sometime during the year 2004 is the worst possible situation. That is my reason for saying we do not want to change the strategy yet. I think we still have a few years to continue to make strategic investments. If things are not turning around within another year, year and a half, we would have to seriously look at the strategy and whether or not it is affordable.

CHAIRMAN (Mr. Krutko): General comments. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, I share the Minister's optimism for the opportunities that are out there for the Northwest Territories, economically. I too would say that it is not yet time to start to slash the spending. I think we need to make sure that we are ready to take advantage of those opportunities.

Though I have to admit I am somewhat surprised. I had thought that the debt wall was, even in the worst case scenario, further off than what the Minister has now suggested.

I was wondering, if the debt wall is looming a bit closer than we had thought and even though I do not think any of us wants to sound the alarm, I think we still need to continue to invest where it makes sense. Has the Financial Management Board started to look at the programs to make sure that the priorities of this government are being reflected in the programs that are offered, looking for confirmation that what we are doing is really what was set out in our strategic action plan, Towards a Better Tomorrow?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, annually, we do an evaluation of our programs and provide the document to the committees. Yes, we are continuing to monitor what is happening. If there are programs where there is a lot of slippage, then we need to tighten up on those. I cannot name any offhand right now, but we have not looked at doing away with any larger initiatives yet.

I think the main area where we have put some limits on is on capital. We realize that by targeting a capital budget of $50 million a year, we are in a pattern that is not sustainable in the capital side over the long term. We have chosen to put the limits on that program as opposed to putting it on the operations side. Of all the adjustments, that would be the main one that we have made. Thank you.

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

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, when this House adopts the budget, that is basically our agreeing with the government that these are the strategies that we want to support because we are saying here is the money to go ahead and do the job.

With the new revenues that came in this year after the budget was passed, have there been any new initiatives embarked on that might now be called into question because we are seeing a reduction in the revenues being forecast over the next three years, or have we stuck to the business plan? Have we stuck to the plan that was laid out when we adopted the budget and not changed the strategy or approach?

CHAIRMAN (Mr. Krutko): Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, we have essentially stayed with the business plan. There are no significant changes at this point. Again, depending on the response from the committees, there could be changes made for 2002-03.

A lot of the new initiatives that we have embarked on over the last year are initiatives that can be curtailed at any time. At the end of the year, we could choose not to invest money in any of those particular areas.

We have tried to stay away from building ongoing operational demands.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. General comments? Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. With the recent changes in federal priorities, especially on the security front, I am sure that every jurisdiction in Canada is looking at their short- and medium-term plans and expectations, especially as they relate to the federal government as a partner. Of course, we know that the federal government here in the Northwest Territories is much more than a partner. They are the umbilical cord. They are fiscally what we depend on in order to sustain ourselves, especially in the lack, the very frustrating lack of a real tangible process on getting a resource revenue sharing deal. That is another issue and we can take that up at other times.

I wanted to look at the formula financing or the formula framework that we have with Ottawa. This is typically a four-year deal. I understand the current one we have expires in 2003, is it? 2004? Mr. Chairman, maybe just a quick clarification on that. When does the current formula financing deal expire? Thank you.

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

HON. JOE HANDLEY: The current formula expires, Mr. Chairman, at the end of March, 2004.

CHAIRMAN (Mr. Lafferty): Thank you. Mr. Braden.
MR. BRADEN: Thank you. My understanding as well is that negotiating this is a lengthy process and a complex one that will probably get started in its earliest phases in the next little while.

What I am focusing on here is the emergence in the Northwest Territories, Mr. Chairman, of self-government agreements. I anticipate that we are going to have perhaps at least two deals, the Dogrib and the Beaufort-Delta agreements in place, at least in principle by then, or by the March, 2004 time frame and that over the years, their implementation will kick in.

The aspect that I wanted to explore is to what extent will the emergence of self-government deals and the need for cash and resources for those governments to get up to speed, how will that be incorporated into a formula financing deal? Does the Minister have anything he could offer in that area? Thank you, Mr. Chairman.

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

HON. JOE HANDLEY: Mr. Chairman, my intention is to begin doing some of the preliminary work on negotiating a new formula beginning in 2002, early 2002. That will allow us essentially two years to negotiate a new agreement, providing the federal government is willing to sit at the table and begin discussions.

The issue of self-government is a complex one because there is only one of them that is basically finalized right now. There are two. The Dogrib one is probably close as well, but we do not know with certainty yet what the provisions will be with regard to the extent that they take over their own programs and therefore want their own money or what the incremental costs will be. Hopefully, we are not going to bear any of that. We have maintained the position that those should be covered by the federal government.

We do not know with certainty either whether any of the self-governments will want to negotiate their own arrangement with the federal government as opposed to doing it through the GNWT formula.

So it is difficult at this point to predict with any specific facts on what the impact will be.

I think one of the first things we will have to start doing in 2002 is begin to identify some of the issues that will have to be dealt with. Of course, self-government is a big one that the Member raises. It is the biggest unknown, the biggest question mark in my mind.

As well, we need to do some projecting on how fast we will proceed on resource revenue sharing because that will change it as well, if we get a lot of our own resources. That is about as specific as I can be at this time, Mr. Chairman.

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

MR. BRADEN: Thank you, Mr. Chairman, and to the Minister, thank you for that explanation. Another area of this, as the Minister just pointed out, is the linkage that has been made that is in the formula with the performance or spending patterns of other jurisdictions in Canada.

I take this to mean, Mr. Chairman, that for instance, if the auto industry in Ontario and Quebec takes a nose dive and provincial spending levels are reflected in that, correspondingly there is a domino effect and agreements such as ours on a national scale are also impacted.

I wanted to ask whether that is a good reflection or a good way to manage a spending agreement. I would contrast it with, for instance, say a slowdown in the auto industry in eastern Canada. If our economy is strong and as vibrant as we hope it will be with oil and gas, pipelines and diamonds, then there is a kind of punitive impact there. The funding levels we would like to have to bolster that kind of economy is going to be dragged down because of what is happening thousands of kilometres away in another part of the country.

I guess I wanted to ask the Minister if I have that connection correctly stated and if it does work that way, what can we do, if anything, to disengage ourselves from that linkage, that imbalance? Thank you.

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

HON. JOE HANDLEY: Mr. Chairman, yes, we are on the current formula very much linked to the economic picture in the rest of Canada. I too believe that is not a good way of funding our needs in the North. I have made that point many times in various federal-provincial meetings, that we are on a non-renewable resource development wave that the rest of Canada is not. The rest of Canada is more on the manufacturing and high tech industry. That is what drives their economy.

Ours is a different economy and the current formula does not reflect that. It puzzles me why -- let us say the auto industry in Ontario or the high tech industry in Quebec, or wherever it may be, or the oil and gas industry even in Alberta -- why it has such a big impact on it.

However, under the current formula it does and I assume the thinking was that all economies in Canada moved along at the same pace. I think we have a different economy and ours is only slowed down to the effect that the federal government forces it to slow down through reduced transfer payments. That is becoming less and less of a factor as we become more dependent on mining, diamonds in particular, and later on oil and gas.

I am meeting with Minister Martin on Sunday and I hope to get some feedback from him of how he is responding to the potential recession and what his reaction is to the increased need for spending on security. He is putting forward a budget in December so I do not expect we will get all the answers on Sunday. That is one meeting. We will get some hints. Certainly by December we will get a pretty good idea of how Canada is responding to the current economic climate and then be able to do a more accurate assessment of the impact on our government’s fiscal framework. So by the time we do our main estimates in February, we should be able to provide much more clarity to that question. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. That was a lead-in to a final question that I had. Does Minister Handley consider that the meeting this weekend, is this a pre-budget meeting for Finance Minister Martin? What will be our Minister’s priority for
inclusion of the North in the upcoming federal budget? Thank you, Mr. Chairman.

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

HON. JOE HANDLEY: Mr. Chairman, this is a federal/provincial/territorial Finance Ministers’ meeting. It is only a few hours long. It goes from 2:00 p.m. to probably 7:00 or 8:00 at night. This is an opportunity for all provincial and territorial Ministers to have input into the federal budget. There was a conference call of provincial and territorial Finance Ministers this morning. I could not be there because our House is sitting, but my officials were there. They will have, this morning, hammered out the main points that they want to make collectively.

In addition to that, I intend to continue to make the point that we need investment in the North because of our non-renewable resource developing economy and its demands on people, on training, on infrastructure and on services. I will continue to remind him that we have put together a non-renewable resource strategy at his request and that we need investment today. We are not in the same position as is the rest of Canada.

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

MR. BRADEN: Thank you, Mr. Chairman. I will conclude with a comment and, I guess, a request of Minister Handley to carry that message to Ottawa as he has described. It is the right one. This government has been consistent with it and from indications that I have, it has managed to get us on the radar screen in a number of places, in Ottawa and elsewhere in the country. We have heard it loud and clear in recent committee hearings and in public meetings that I have been at in the NWT. Continue, Minister Handley, to press this message forward as clearly and as strongly as you can. Thank you, Mr. Chairman.

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

MR. KRUTKO: Thank you, Mr. Chairman. I too have concerns with regard to exactly where we are going in the next two years, realizing the economic uncertainty that we are in with what happened in the United States and what is happening in the different sectors of the Canadian economy, such as the auto industry, the high tech and the major layoffs in a lot of the provinces. It does have an affect on the bottom line and as a government, where are we going to go?

I think we have to realize that we are not immune to that. I think sometimes, because of distance, we think we are but my experience with the 13th Assembly, it was this specific type of activity that decreased the amount of revenues that we received from Ottawa. I think we have to keep that in mind, not knowing what the amounts are going to be with the new fiscal arrangement for expenditures we are going to see next year because of that uncertainty.

I would like to ask the Minister, do we have an idea of what the amount of the transfer payments we will receive next year will be in regard to covering the expenditures of this government?

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

HON. JOE HANDLEY: Mr. Chairman, because of the impact of the one-time funding that we received from the anonymous corporation, the grant from Canada drops considerably next year. They give us the full amount. I think it is roughly $350 million and then later on take out their share of it. For the current year, our total grant from Canada is estimated at $263 million. Next year, it is estimated at $282 million and on top of that, there is a $12 million federal pension subsidy. That is down a lot from our 2000-2001 grant, which was at $574 million.

Having said that, we do only get the $282 million in 2002-2003, but then some of it is clawed back later on, resulting in some of the corporate revenues clawed back, resulting in an increase in grants in later years.

In 2003-2004, if everything stayed the same, we could be looking at a federal grant of up to $800 million because of the clawbacks from the corporate taxes and the offsetting increase in the grant. So because of these one-time tax revenues, our grant jumps all over the place, from $260 million up to $800 million over the next few years.

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

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I do not believe I recognize a quorum in the House.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. I will ring the bells and bring a quorum back.

-- Ringing of the bells

Thank you, Mr. Krutko, for reminding me that we did not have a quorum. Go ahead.

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, I believe that, realizing we have a limited amount of resources and time in the term of this, the 14th Assembly, I feel we are taking on a lot of initiatives we will not be able to accomplish within the term of this Assembly. We have energy initiatives that are on the drawing board. We have made expenditures regarding a highway toll. We are already expending on something that has not been passed in this House.

Also, Mr. Speaker, we are looking at other strategies that, for myself, there are a lot of resources attached to these strategies. Knowing they will not bear fruit in the term of this Assembly, I feel that those types of initiatives should be put on the back burner, realizing that we will be faced with some sort of a deficit situation. We do have to consider cutting expenditures of this government. Those are some areas I feel we have the ability to cut, which would have a major impact on the programs and services we have.

If anything, it will enhance programs and services for those areas that are stretched to the limit, where we need those extra funds where they can be earmarked or put in the areas where we can have it as more of a priority rather than continue with the route of doing strategies.

I would like to ask the Minister, are any of those strategies we are looking at a real priority of this government that we can possibly do without and leave for the next Assembly to deal with? A lot of those strategies will not be accomplished within the lifetime of this Assembly.
CHAIRMAN (Mr. Lafferty): Thank you, Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, I do not have the full detail on all of the strategies that our government is undertaking because they are within various departments. We have, for example, put a lot of extra money into recruiting, retaining and training nurses. That is something that hopefully will give us returns in the long run. Those kind I hope to keep.

We have, in Maximizing Northern Employment, a number of initiatives that we are funding, whether it is interns or summer student hires or finding employment for people who have graduated in a particular program. Those again I would like to keep.

The one area where we have said we cannot afford to get into commitments on huge investments is on the highway infrastructure. We felt that there is a choice. We can borrow more money, but that is not a good alternative because that will do exactly what Mr. Krutko is saying could be a problem for us, hitting our debt limit very quickly. We could put it off to another government to worry about but we know they are deteriorating. We could try to find other means of financing, which is what we are doing.

Those are the kind we are trying not to have to put a lot of money into during the life of this government in order to prevent what Mr. Krutko is warning us about. We have also, as I have mentioned earlier, put a limit on our capital expenditures, again to try to maintain a reasonable budget. That is one initiative.

There may be specific things we could do differently, in the amount of support to businesses. It is not huge. I would not want to cut it back right now. We do have opportunities for private companies, aboriginal corporations to get into the oil and gas sector, to mining activities; those I would have to cut back too. It is not an easy decision to say we should cut back some of those kinds of initiatives. I have the same difficulty when it comes to water and sewage systems and municipal infrastructure.

Right now, Mr. Chairman, in my view, it is a little bit early to begin to make cutbacks. I think we are fine for another year or two years, depending on how our revenue projections work out and our expenditures, of course. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, another area that we will have to sooner or later face is the whole challenge of what do we do when we do find ourselves in a deficit situation?

In the 13th Assembly, they had to implement what they called a Deficit Elimination Act which was in place to ensure we were monitoring the expenditures of the government. In some cases, there were some radical things done where we were amalgamating different departments into one and also looking at getting rid of capital within the government, trying to streamline expenditures of the government.

I would like to ask the Minister, is there anything in place or anything that is being looked at to consider having such legislation in place through the Financial Administration Act to come through this House, to ensure that we do not have excessive spending, that there is legislation that the departments know they have to follow? We as a government have to assure the public we are doing something and we are taking action on the expenditures within the government, not with regard to public programs and services but the expenses of maintaining the bureaucracy of this government, which is an expense.

We have to eventually somehow find ways of not downsizing, but of controlling the growth within government. I think we have seen quite a bit of growth in the last number of years in the government from what it was in the 13th Assembly.

I would like to ask the Minister of Finance if they have considered looking at areas that we may have to consider, realizing that we are not immune to the deficit or the situation with regard to the downturn in the economy in Canada. We are going to be affected. I think that is something that we have to keep in mind, realizing that our deficit situation will be going up in the next couple of years. Has the Minister and his department considered those options or alternatives?

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

HON. JOE HANDLEY: Mr. Chairman, yes, we have considered those options. I think having a Deficit Elimination Act or policy was good at the time of division, to make sure that we were not burdening another jurisdiction with debt.

Right now, the federal government essentially placed a deficit limit on us of $300 million. I think, given the size of our budget, our economic activities, that $300 million limit is probably a reasonable target. It is something that we might have set ourselves if the federal government had not put us in that position.

To try now to aim at complete deficit elimination in the future I think would really limit our spending at this time, our spending on a lot of good initiatives. My view now is that we are looking at a cash surplus at least until the end of the 2002-03 year and then we will find ourselves going into a cash deficiency if nothing improves.

I think it is a little bit early to begin to earmark things that we want to reduce or cut back on. My preference is to wait and see what happens with the projected recession, see what happens with our economic development, see if we get a pipeline -- move those decisions further down the road before we decide if we have to look at curtailing some of our spending. Thank you.

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

MR. KRUTKO: Thank you, Mr. Chairman. Mr. Chairman, realizing that we only have the time frame that is allotted to this 14th Assembly, which is two more years before we go to the polls, is that our responsibility is within that two years. What happens with a pipeline or what happens in other areas would not happen within that time frame.

I would like to ask the Minister, has he or his department tried to find ways, knowing that the federal government is now receiving royalty payments from the diamond mines and what not, if there is a possibility of instead of having to wait for the conclusion of negotiations for the Northern Accord, that we can possibly look at a percentage distribution of that up-front now, knowing it will happen later on?
If there is a possibility or a consideration with the Minister of Finance, knowing we are negotiating a new formula financing agreement, but also knowing that these new revenues, which were not part of the previous financial agreements or arrangements, and seeing if we could get a tax break or allowed to keep more of the resources, rather than having to send 80 percent of the capital corporate taxes or taxes back to Ottawa? Any revenues that are generated, if we could keep a bigger percentage of it, realizing that we are going through some difficult times and that we will need those additional resources to get us through.

I think instead of asking for 100 percent of the resources, we are asking for 20 or 15 percent that we are allowed to hold back, instead of having to give 80 percent back to the government. We will let them take 75 and we keep 25 or something to that arrangement.

Is the Minister willing to look at something like that with the Minister of Finance to see if there are those types of alternatives that we can work on over the next two years?

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

HON. JOE HANDLEY: Mr. Chairman, we have raised that point with the federal Minister of Finance in the past and I will continue to take the Member’s question and continue to raise that. The one thing we have to keep in mind is that we have agreement from the federal Minister of DIAND to enter into devolution, resource revenue sharing negotiations. That is going to be essentially a three-party negotiation with the aboriginal governments, our government and the federal government. Before we would go to the federal government with a proposal to retain any particular percentage of the royalties, unless it was 100 percent to be put in trust, then I would want to talk with the aboriginal governments first to make sure that they are on side with that kind of thinking.

I hope that we are able to get on with the negotiation process by December or early in the new year. I think that is the time for us, jointly with aboriginal governments, to make the point that Mr. Krutko is suggesting.

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

MR. KRUTKO: Thank you, Mr. Chairman. The next question I would like to ask Mr. Handley is there is a federal budget, possibly in December. Does the Minister know if there are any initiatives within that budget that could be beneficial to this government with the upcoming budget session in Ottawa so that we can see -- one of the things we have been striving for for years is trying to get some sort of economic development agreement, similar to what they have in the provinces. Yet the Territories, from the Yukon, Northwest Territories and Nunavut, has not had one for quite some time. I would like to ask the Minister if he has heard of or is there anything of substance within that upcoming budget which could be beneficial to the Government of the Northwest Territories?

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

HON. JOE HANDLEY: Mr. Chairman, I do not know with certainty. Minister Tobin, when he was in town a month or so ago, certainly hinted that there would be some good news coming for us. I think there have been hints from other Ministers that there is something. I hear unofficially that there may be a form of an economic development agreement but that it would be no more than somewhere in the neighbourhood of $5 million a year for three years, but nothing specific at this point. I doubt that Minister Martin will give us many clues before he tables the budget in December. Thank you.

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

MR. LAFFERTY: Thank you, Mr. Chairman. I just have one question for the Minister. Recently in the newspapers, I have read that there are competitions for highway officers. It seems to be a substantial amount since there are five positions that are being asked to fill. I would just like to ask, is all of this happening with regard to the Highway Investment Strategy?

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

HON. JOE HANDLEY: Mr. Chairman, I do not know. That is something that I would have to check with the Minister of Transportation on. Some of them may be filling vacant positions. Thank you.

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

MR. LAFFERTY: Thank you, Mr. Chairman. Also, on revenue sharing with aboriginal governments and the federal government, I see a lot of studies happening and strategies. It is excluding a lot of the communities in the Northwest Territories. I know that the toll is for existing strategies but in our strategies for the future, for a better tomorrow, is there any way that new strategies that are happening could include smaller communities and maybe try to get infrastructure for them through the same strategies that we have?

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

HON. JOE HANDLEY: Mr. Chairman, we have two things we are doing. One is negotiating resource revenues from the federal government. If we can get the resource revenues to the North, then it would be up to us and aboriginal governments to negotiate a sharing of that. At the same time, we would then negotiate what the priorities would be for that new money. That is basically the work that we are talking about, both revenues and also the expenditures, how you spend that money. I think that has to be a joint decision between aboriginal governments and us.

I know the Minister of Transportation has been meeting regularly with Minister Collenette, the federal Minister, on a highway strategy and looking at any dollars that might be available. My understanding is that there is not a lot of optimism for any amount of new dollars for building new roads in the North at this time. The economic development agreement I referred to earlier, in the amounts I understand it would be in, would be much too small to make any meaningful difference at all.

There are no particular strategies I know of for that kind of investment. Thank you.
CHAIRMAN (Mr. Delory): Thank you, Mr. Handley. Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. Just a final question on resource revenue sharing. I would like to ask, is there a target date that we as the Legislative Assembly should be looking at to have this accomplished? Thank you.

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

HON. JOE HANDLEY: Mr. Chairman, the commitment from the Minister of DIAND is to have the negotiating process for resource revenue sharing in place by March 2002 and hopefully earlier than that, as early as December 2001, this coming December. I have not seen any good estimates yet of how long it will take to negotiate. I think that depends on the goodwill of all the parties. We are tentatively looking at a process that would take in the neighbourhood of two years. I would say near the end of 2003, sometime in 2004 is where we would be aiming. Thank you.

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

MR. LAFFERTY: Thank you, Mr. Chairman. Just a follow up question, since he gave me some dates there. So we have the Highway Investment Strategy that has no sunset clause. Now we have a sunset clause for maybe three or four years because the money will be coming in from the federal government and the aboriginal governments?

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

HON. JOE HANDLEY: Mr. Chairman, I expect it will take us two years minimum to complete negotiations. Again, we are only one out of three parties in those negotiations so that is just our own estimate. I would hope that as soon as we are into negotiations, there is some consideration into placing resource revenues from the beginning of negotiations into some sort of trust, or have an understanding that whatever we would finalize in two years’ time would be retroactive to the day we began negotiating. Those are things that are yet to be decided.

CHAIRMAN (Mr. Delory): Thank you, Mr. Handley. General comments. Mr. Dent.

MR. DENT: Mr. Chairman, I had a couple of questions about the sessional statement that the Premier made. Perhaps the House Leader can answer them because they relate to fiscal issues as well. In the Premier’s sessional statement, he says, “Within the next decade, the Northwest Territories will be paying more into federal coffers than it receives.” I was wondering if we could get an explanation for that comment, just in terms of how the Northwest Territories will pay more into federal coffers than what it receives back.

CHAIRMAN (Mr. Delory): Thank you, Mr. Dent. Mr. Handley.

HON. JOE HANDLEY: Mr. Chairman, that is within the next decade. We are anticipating to have resource revenues -- that is a share of royalties -- for three diamond mines. We are probably looking by 2006-07 when the third one is in operation, possibly 2005 if they speed up production again. We have royalties and corporate taxes from three diamond mines. We would have the existing oil revenues, royalties and taxes from the Norman Wells oil field and any expansion there. We are anticipating that within ten years, we would also have the royalties, tariffs and corporate taxes from the gas pipeline that we anticipate being built.

I do not have specific numbers in front of me. They would be just sheer projections right now anyway. Clearly just those royalties and corporate taxes alone, let alone the other businesses that build up, would be enough to put us in a situation that would be comparable to Alberta’s, or possibly in a richer situation than Alberta has right now.

CHAIRMAN (Mr. Delory): Thank you, Mr. Handley. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. The projection is then, since we are getting $500 million or $600 million, give or take, from the federal government now, the projection is that within ten years, royalties, and I think I heard the Minister say corporate taxes, that are paid by firms exploiting resources in the Northwest Territories will exceed that $500 million or $600 million. Is that correct?

CHAIRMAN (Mr. Delory): Thank you, Mr. Dent. Mr. Handley.

HON. JOE HANDLEY: Yes, Mr. Chairman. I think they will easily exceed that. We know that the oil revenues, for example, just out of Norman Wells alone last year, I believe, were close to $100 million. Just that small, oil field on its own. If you add in the diamonds and the royalties that are paid there, they are taking out, just out of Ekati Mine alone, they are taking out $600 million worth of diamonds, paying 12.5 percent royalties on that. That is close to $150 million just from one mine.

I think we can very safely and easily say in ten years, everything going the way it seems to be, we could be a “have” jurisdiction.

CHAIRMAN (Mr. Delory): Thank you, Mr. Handley. Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. What is the split, roughly? I recognize the Minister may not have the exact figures in front of him, but what would the split be between the corporate tax portion of that and royalties? My concern is that the Minister has said that this amount of money that will be paid in royalties and corporate taxes could make the Northwest Territories look like Alberta if we got to keep it. I think we have to remember that companies will always have to pay federal income taxes. Those are not going to be handed over to provincial or territorial governments. What are we talking about here if we look at royalties alone? That is really the base question I am asking.

CHAIRMAN (Mr. Delory): Thank you, Mr. Dent. Mr. Handley.

HON. JOE HANDLEY: Well, royalties work out to roughly 12.5 percent for diamonds, I believe. That is on the gross value of the diamonds. That is after they have recouped their capital cost. The companies are beginning to pay royalties now. You can just take that as 12.5 percent and I am rounding it off when I say $600 million worth of diamonds in the last year out of Ekati. So 12.5 percent of $600 million gives us close to $150 million. That is only in royalties.

In addition to that, companies pay corporate taxes based on their profits. We will be getting a percentage or an amount this coming year for corporate taxes from Ekati Mine. So will the
federal government be getting federal corporate taxes. Any corporate taxes are going to be on top of those royalties.

The same applies on the oil and gas industry, although the royalty structure there is different than it is for minerals. It varies depending on quantities and so on.

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

MR. DENT: Thank you, Mr. Chairman. Mr. Chairman, when we talk about this money that might be available in royalties should we take over ownership, is there an expectation by the Minister that there will be an agreement with our northern partners that would see those royalties flow to Northerners for programs and services? Is there an expectation that there will not be some offset to the federal transfer payments when that happens?

I guess I am trying to get a sense of what sort of net increase are we expecting if we take over ownership? Is it 100 percent? Do we expect that we will be able to take on the advantage of all of the royalties or are we looking at something where, with the current tax increases for instance, we get only 20 cents on the dollar because of the offset in the formula? What can Northerners really look forward to here in the future in terms of benefiting from these royalties when we do take over ownership?

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

HON. JOE HANDLEY: Mr. Chairman, I do not think realistically, and from anything I have heard from the federal government, that we can expect to keep 100 percent of the royalties. That would be the same deal that Alberta has. The federal government have been clear that they do not want to create "have" jurisdictions in the sense of wealthy jurisdictions within Canada while someone else is considerably poorer.

I do not want to bias the negotiations that will happen but I would expect that there is going to be some kind of split between Ottawa and ourselves on royalties. I do not know whether it will be two-thirds to the North and one-third to Ottawa or 50/50. I do not know. It is really hard to suggest anything for the public that they should expect right now, other than we expect to keep a share. We are going to start the negotiations saying that we want 100 percent, not the same deal as Alberta has because of our infrastructure needs. Thank you.

CHAIRMAN (Mr. Delorey): Thank you, Mr. Minister. General comments. General comments. Hearing none, what is the wish of the committee? Does the committee agree that Ministers’ Statements 30 and 31 are concluded?

SOME HON. MEMBERS: Agree.

CHAIRMAN (Mr. Delorey): What is the wish of the committee? Mr. Dent.

MR. DENT: Mr. Chairman, I move we report progress.

CHAIRMAN (Mr. Delorey): There is a motion on the floor. The motion is non-debatable. All those in favour? I am sorry. We do not have a quorum so I will ring the bell.

-- Ringing of the Bells

For the benefit of the Members who were not in the room. We have a motion on the floor to report progress, which is non-debatable. All those in favour? All those opposed? The motion is carried. I will rise and report progress.

MR. SPEAKER: The House will now come back to order. Item 20, report of the committee of the whole. The honourable Member for Hay River North, Mr. Delorey.

ITEM 20: REPORT OF THE COMMITTEE OF THE WHOLE

MR. DELOREY: Mr. Speaker, your committee has been considering Ministers’ Statements 1-14(4), 3-14(4), 4-14(4), 30-14(4) and 31-14(4) and would like to report progress. Ministers’ Statements 1-14(4), 3-14(4), 4-14(4), 30-14(4) and 31-14(4) are concluded. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Delorey. Do we have a seconder for the motion? The honourable Member for Nunakput seconds the motion. All those in favour, please signify. Thank you. All opposed? Thank you. The motion is carried.

Item 21, third reading of bills. The honourable Member for Nunakput, Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to return to item 13.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to return to item 13, tabling of documents. Are there any nays? There are no nays, Mr. Steen, proceed.

REVERT TO ITEM 13: TABLING OF DOCUMENTS

Tabled Document 53-14(4): October 9, 2001 Letter From Hamlet of Tukttoyuktuk on the Wildlife Act

HON. VINCE STEEN: Thank you, Mr. Speaker, and thank you colleagues. For some reason or other, Mr. Speaker, I was not paying attention at the time the item was called but I have two documents to table. One is a letter dated October 9, 2001 from the Hamlet of Tukttoyuktuk concerning amendments to the Wildlife Act. It indicates council’s opposition to the changing of the residency.

Tabled Document 54-14(4): October 26, 2001 Letter of Support for Premier Kakfwi

The second item I have, Mr. Speaker, is a letter dated October 26th from Tasoon Trapping in Tukttoyuktuk indicating their support for Premier Kakfwi.

MR. SPEAKER: Thank you, Mr. Steen. Item 13, tabling of documents. The honourable Member for Sahtu, Mr. Kakfwi.


HON. STEPHEN KAKFWI: Mr. Speaker, I would like to table a series of communiqués, letters and e-mails that have come in from members of the public and from religious leaders, chiefs, mayors, the Inuvialuit, Metis, Dene, business leaders, spiritual leaders, as well as other people in the private sector, the investment sector, in support of myself as Premier. I would like
to table that to share with Members of the Legislature. Thank
you.

MR. SPEAKER: Thank you. Item 13, tabling of documents. Any
further tabling of documents? Item 21, third reading of bills. Mr. Krutko, you had your hand up earlier on.

MR. KRUTKO: Mr. Speaker, I seek unanimous consent to go
back to item 14.

MR. SPEAKER: Thank you. The honourable Member is
seeking unanimous consent to return to item 14, notices of
motion. Are there any nays? There are no nays. You may
proceed with your notice of motion, Mr. Krutko.

REVERT TO ITEM 14: NOTICES OF MOTION

Motion 12-14(4): Submission of Letters of Resignation
From Premier and Cabinet

MR. KRUTKO: Mr. Speaker, I give notice that on Monday,
October 29, 2001, I will move the following motion.

Now therefore I move, seconded by the honourable Member
for Inuvik Boot Lake, Mr. Floyd Roland, that the Premier and
the members of the Cabinet submit their resignations to the
Speaker prior to 9:30 a.m. Wednesday, October 31st.

MR. SPEAKER: Thank you, Mr. Krutko. Item 14, notices of
motion. Any further notices of motion? Item 21, third reading of
bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker,
meeting of the Standing Committee on Governance and
Economic Development at adjournment today, at 9:00 a.m. on
Monday of the Standing Committee on Accountability and
Oversight, Cabinet House strategy at 9:00 a.m. and at 10:30
a.m. of the Governance and Economic Development
Committee.

Orders of the day for Monday, October 29, 2001:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motion for First Reading of Bills
16. Motions
   - Motion 10-14(4): To Move Tabled Document 51-14(4), Investing in Roads for People and the
   Economy: A Highway Strategy for the Northwest Territories, into Committee of the Whole
   - Motion 11-14(4): Confidence in Premier Kakfwi
   - Motion 12-14(4): Submission of Letters of Resignation From Premier and Cabinet
17. First Reading of Bills
   - Bill 14, Supplementary Appropriation Act, No. 2, 2001-2002
   - Bill 15, Supplementary Appropriation Act, No. 3, 2000-2001
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and
   Other Matters
   - Bill 5, An Act to Amend the Education Act
   - Bill 6, National Aboriginal Day Act
   - Bill 7, Powers of Attorney Act
   - Bill 9, Commercial Vehicle Trip Permit Act
   - Bill 10, Public Highway Improvement Fund Act
   - Bill 13, An Act to Amend the Income Tax Act, No. 2
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Before we convene the
House, I would like to recognize in the gallery Cece McCauley,
a long-time women's advocate in the North.

-- Applause

Accordingly, this House stands adjourned to Monday, October
29, 2001 at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 2:11 p.m.