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The Honourable Tony Whitford, Speaker

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YELLOWKNIFE, NORTHWEST TERRITORIES**Friday, November 2, 2001****Members Present**

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

ITEM 1: PRAYER

-- Prayer

SPEAKER (Mr. Tony Whitford): Thank you, Mr. Ootes. Item 2, Ministers' statements. The honourable Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 52-14(4): Health of Caribou**

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, there have been some recent reports of skinny, sick or dead caribou in the Northwest Territories, particularly in the Bathurst caribou herd. Concerns about lame caribou with lower leg lesions have been received from a number of sources, including Lutselk'e elders, barren-ground caribou outfitters and officials from Ekati Diamond Mine. Similar concerns have been raised by some hunters in the Beaufort region regarding Bluenose caribou.

I want to assure people that there is nothing unusual about these sightings and reports. Each report received by RWED officers is followed up. In the case of the Bathurst herd, samples were taken from 10 animals and sent to the Canadian Cooperative Wildlife Health Centre in Saskatoon to determine the cause of illness and/or death.

Test results and field observations suggest that this condition is consistent with a condition called "footrot", not to be mixed up with hoof and mouth disease, or necrobacillosis. It is a naturally occurring condition that turns up periodically in wildlife populations as individual cases or larger outbreaks. This condition is caused by naturally occurring bacteria that will usually only affect animals in poor condition with injuries or wounds that bacteria can penetrate.

Leg wounds from running over rough terrain or persistent exposure to wet ground provides an opportunity for this to occur. Infected animals often appear lame and can go on to develop a generalized infection resulting in death. It is important to note that foot rot is not a contagious disease and is not spread from animal to animal.

A combination of conditions this year on the Bathurst caribou range could explain the higher than usual reports of lame caribou. This past summer was unusually wet, with some areas of the caribou range receiving 80 percent more rainfall than normal. As Members will recall, this past summer was also a prime year for mosquitoes and other insects. Caribou, like people, suffer from insect harassment. The animals can become skinny from running away from these insects.

Mr. Speaker, while there have been a few more reports of animals in poor condition this year, it is still considered to be within the range of normal occurrences.

The department is planning a survey of the Bathurst herd over the next few weeks to determine if conditions this summer have impacted calf survival or the overall health of the herd. We continue to work closely with community groups, outfitters and mining camps to document and investigate any additional cases of sick or dead caribou. I encourage any hunters who are encountering sick or dead caribou to report these incidents to their local RWED office. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. The honourable Minister responsible for Education, Culture and Employment, Mr. Ootes.

Minister's Statement 53-14(4): Northwest Territories Takes Part in 8th Annual Take Our Kids to Work Day

HON. JAKE OOTES: Thank you, Mr. Speaker. Mr. Speaker, next Wednesday, November 7th, grade 9 students from across the NWT will skip school for the day, but they are not cutting classes. Most of them will spend the day at work with their parents, another relative or a family friend.

They are participating in the 8th annual Take Our Kids to Work Day. Since 1994, schools and workplaces across Canada have set aside one day a year for students in grade 9 to head out of the classroom and into a range of workplaces. The NWT is no exception. Over the past two years, more than 400 students have participated in Take Our Kids to Work Day.

Mr. Speaker, there are many advantages to an event like this. Take Our Kids to Work Day encourages a connection between family, school, the workplace and the community. It enhances a young person's understanding of the world of work. It helps students make the link between their education and their future and encourages them to consider career paths. More importantly, it is an opportunity to foster understanding and cooperation between schools, future employees and employers in the communities.

The theme of Take Our Kids to Work Day this year is "Experience, Teamwork and Safety." With an emphasis on workplace safety, students and employers will be briefed on appropriate behaviours that will help to ensure safety in the workplace. Students will also receive training on their rights and responsibilities in the workplace.

Mr. Speaker, I am pleased to say that the Workers' Compensation Board will join us in Take Our Kids to Work Day events. The Young Worker Program, administered by WCB, is devoted to ensuring that young workers understand all the issues related to workplace safety.

Take Our Kids to Work Day is one of many events planned for Canada Career Week, November 4th to 10th. "Learning -- Power for Life" is the theme. Mr. Speaker, one of the most valuable learning experiences these young people can have is acquiring knowledge about staying safe in the workplace.

Mr. Speaker, I want to also thank the many businesses, industries and government offices that have agreed this year to again participate in Take Our Kids to Work Day. Your support of this program ensures its success and makes a credible learning experience for students. These students are the workforce of the future. The earlier young people begin to think seriously about and plan for a lifetime of learning, the more successful they will be. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. The honourable Minister responsible for Resources, Wildlife and Economic Development, Mr. Handley.

Minister's Statement 54-14(4): Timber Permit Application Review Process

HON. JOE HANDLEY: Mr. Speaker, concerns have been raised in this House about the Mackenzie Valley Environmental Impact Review Board's environmental assessment process as it applies to the process used by the Department of Resources, Wildlife and Economic Development to issue timber cutting permits. I would like to take the time now to clarify the process for Members.

The federal Mackenzie Valley Resource Management Act was established to implement provisions contained in land claims agreements in the Northwest Territories. The act established the Mackenzie Valley Environmental Impact Review Board to undertake environmental assessments and panel reviews. The Minister of Indian Affairs and Northern Development appoints board members who are nominated by First Nations and territorial and federal governments.

The review board is a public board that recommends ways to protect the environment from impacts that may be caused by a development. The environment includes biophysical, social, economic, traditional use and cultural impacts of the proposed development. The review board can also recommend to the Minister of Indian Affairs and Northern Development that a development be rejected because the impacts are too great.

The review board does not tell RWED to issue permits. The review board recommends whether or not the project can proceed and provides recommendations to mitigate any identified adverse environmental effects.

The environmental impact assessment process has three stages. These are the preliminary screening, environmental assessment and environmental impact review. Not all developments go through each of these three stages. Most go through preliminary screening and continue on through the permitting process.

Preliminary screening is done by the department or agency issuing permits such as water licences, land use permits and timber cutting authorities.

The review board does not issue permits or licences itself. Various government departments or the land and water boards

issue them. However, if a project is referred to environmental assessment, the review board makes recommendations that may become terms and conditions of those permits or licences as approved by the Minister of DIAND. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement on Passing of Sarah Simon

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I stand here today with sadness in my heart with the passing of our jiiuu, Sarah Simon. As we all know, Sarah Simon celebrated her 100th birthday a couple of months ago. Sarah Simon passed away with her family around her at 5:05 this morning at the Inuvik General Hospital.

Sarah dedicated her life to her people and to her church. Well into her 90's, she continued to help the Gwich'in people and the people of the Northwest Territories by her involvement with developing a document which has just been released, the "Our Jiiuu: Who are My Grandparents and Where are They From?"

At this time, I would like to send my condolences out to the Stewart family, along with Sue, Doris, John, Lawrence and Paul and also to her many, many relatives in the Stewart and Kay families. Today we have lost a treasure, a lady who committed her life to her people and to serving the church and all who knew her. Sarah has always been there with open arms to help everyone and anyone. She always took the time to assist with all of the children around her and with ensuring we had the faith to continue to work on and support the family as a unit.

Just recently, Mr. Speaker, I received a card from Sarah Simon:

Dear David,

I greatly thank you for your kind words at my birthday feast held in Inuvik. May God bless you as you serve the Lord by serving your people.

Many blessings in your work,

Sarah Simon

With that, Mr. Speaker, I would like to again send my condolences out to Sarah Simon's family at this time. Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. Indeed, the sympathies of the Assembly go to the family of Ms. Simon on their loss. Item 3, Members' statements. The honourable Member for Frame Lake, Mr. Dent.

Member's Statement on Sustainability of the Health Care System

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, for the past three years, the Department of Health and Social Services has commissioned numerous studies and reports totalling nearly \$2.5 million. These have included the Med-Emerg report, the Minister's Forum, the Child Welfare League report, all coming at a time when several health boards have significant deficits. For example, Stanton Regional Hospital built up a deficit of \$1.6 million.

Mr. Speaker, the most recent was the sole-sourced Cuff report, which reviewed our northern health care system. I believe it has missed the mark because it was written from a southern perspective.

Mr. Speaker, not everything in the report was wrong. Certainly the recommendations on board training and development were good. However, the Standing Committee on Social Programs has been saying the same thing for a long time. Mr. Speaker, that advice was free.

The recommendations on health care redesign were okay, but talking to the Northwest Territories Medical Association, again for free, could have resulted in more relevant ones.

The real focus of the Cuff report was governance. Mr. Speaker, from that focus, one might start to believe that by changing our system of governance, we could deal with most of the problems facing health and social services in the North. That approach is misguided. I bet if we eliminated every board and simply let the department run the system, we would still not save enough money to cover one year of forced growth in program delivery.

Alberta tried to solve their skyrocketing cost programs a few years ago by cutting health boards, much as recommended by the Cuff report. Recently, they announced that they needed to cut over a billion dollars again from health care. The Mazankowski report on the health system is calling for dramatic changes like increased use of nurse practitioners and delisting treatments for some common things. So Albertans might have to pay themselves to see a doctor for a sprain. Alberta is making the same mistakes that I think we have. They too are just fiddling around the edges of the problem rather than facing it head on.

The real problems facing our health and social services programs today are what are the expectations of the public of the health care and social services system and what can our system afford or support now and into the future? The department needs to address these pressing issues in order to deal with the big problem of sustainability.

Mr. Speaker, this is not a problem faced only in the Northwest Territories. Across Canada, health care costs have spiralled up 40 percent in the past four years. In Ontario, health services alone account for 43.9 percent of all government program spending. Mr. Speaker, I seek unanimous consent to conclude my statement.

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

MR. DENT: Thank you, Mr. Speaker, honourable Members. In the Northwest Territories, we are nowhere near that proportion as found in Ontario and I doubt we are even close to what is found in most other provinces, but the demand for services is growing very quickly. Within the next five or ten years, we may be faced with having to find \$100 million to maintain services the public expects to be able to access. We certainly will not save that much through changes in governance. We have to look far ahead, not just a year or two.

Mr. Speaker. I urge the Minister to take the initiative and start the dialogue. It will not be an easy one, nor will the answers happen as quickly as we would all like to see. However, if we do not start the discussion soon, we might run out of money for anything, but health care in the not-too-distant future. Mr. Speaker, let us get started. Thank you.

-- Applause

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

Member's Statement on Passing of Sarah Simon

MR. ROLAND: Thank you, Mr. Speaker. I rise today to, as did my colleague for Mackenzie Delta, speak on the passing of Sarah Simon. I was fortunate to be able to attend her 100th birthday celebration in Inuvik. Many people from across the Delta took the opportunity to wish her well and give her many gifts. I had the opportunity to speak on behalf of this government there and wish her well also.

Mr. Speaker, one very important activity she was involved with, which was a lifelong journey for her that she spoke about, was her devotion to her Lord and Saviour. She provided that service to many people. She was a mentor to many people growing up in the Delta, as well as a counsellor to many.

Mr. Speaker, as you heard through Mr. Krutko, the thank you card is one that she reflects and looks back on as a service. Although this may be a sad day for the family and residents of the Delta and the Northwest Territories to lose someone as valuable as Ms. Sarah Simon, I like to put it in the picture that in her devotion to her Lord and Saviour, there is rejoicing going on now in the heavens above as they welcome her with open arms for the great work she has done. I am sure they will be sending blessings down to comfort her family.

Just to inform her family that my family and I pray for their peace at this time. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. The honourable Member for Inuvik Twin Lakes, Mr. Allen.

Member's Statement on Remembrances of Abe Okpik

HON. ROGER ALLEN: Thank you, Mr. Speaker. Being a Friday, and as we begin to look forward to the close of the Fourth Session of the 14th Legislative Assembly, I was asked by my constituents to make a Member's statement in memory of a fond uncle and friend to many in the Northwest Territories and Nunavut. Mr. Speaker, I am speaking of the late Abe Okpik, first Eskimo appointed to the Northwest Territories Council in 1965. His picture hangs on the wall of the entrance

to the Cabinet offices along with the many distinguished councillors.

We are proud of Abe's accomplishments. He was a Governor General Award recipient and named to the Order of Canada for his involvement with Project Surname in the 1960's. He was often referred to as a diplomat for the Western Arctic, although he spent much of his life, as he would say, patrolling the East. As his son Roy said in his obituary, Uncle Abe wanted to be buried in the East, but his spirit remains in the West.

With that, Mr. Speaker, I hope that the request to make this statement has been fulfilled by yours truly for the constituents of Inuvik Twin Lakes. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Yellowknife Community Foundation

MR. BELL: Thank you, Mr. Speaker. The other day, the Honourable Roger Allen indicated to this House that the United Nations has declared this year the International Year of Volunteers. I would like to mention a local group of volunteers today, Mr. Speaker.

The Yellowknife Community Foundation is a group of volunteers working to enrich the lives of others in our community. Ten years ago, a group of individuals got together to start a charity to support a variety of needs in our community. By 1993, the organization became a registered charity.

Mr. Speaker, they provide grants to support projects that advance the welfare of the needy and alleviate human suffering and poverty; assist in promoting arts and cultural events; assist sport, recreation and community development; assist and advance the provision of medical services; and also assist and advance other community activities or facilities of a charitable nature.

Mr. Speaker, the foundation has funds to support a variety of needs within our community, as I have indicated. They have also established three additional funds. Many of us are familiar with them. The NWT Fine and Performing Arts Fund, Jenny Gamble Fournier Memorial Scholarship Fund and the Mary Beth Miller Memorial Fund.

Mr. Speaker, the foundation receives both individual and corporate support. Corporate contributions do form a significant part of the foundation's working capital. I would like to acknowledge the following businesses in our community who are involved with the foundation: Artisan Press; Avery Cooper and Co.; Canartic Graphics; Inkit; Gullberg, Wiest, MacPherson and Kay; Northern News Services; NorthwesTel; and RTL Robinson. Together, individuals and corporations have contributed approximately \$200,000 to date.

Mr. Speaker, I would also like to acknowledge the board of directors of the Yellowknife Community Foundation today. Many people work behind the scenes in support of such worthwhile causes and often do not get the recognition they deserve. Current volunteers who form the board of directors

are: Blair Dunbar, Ian Legaree, Doug Nelson, Tom Hall, Lorraine Minish-Cooper, Connie Langstrom, Julia Mott, and Louise Vertes.

Mr. Speaker, I am extremely grateful to these individuals who are so giving of their time and talents and I ask that my fellow Members join me today in recognition of their efforts. Thank you.

-- Applause

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

Member's Statement on Unforecasted Revenues

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, as the Honourable Joe Handley has indicated in this House, the Government of the Northwest Territories has the potential to receive one-time, unforecasted revenue of more than \$100 million.

This revenue is to be spread out over the last fiscal year and the current year. The unexpected money we have received is the one-time corporate tax revenue and a formula financing agreement with the federal government. While this has temporarily improved the immediate cash flow position, and I congratulate our Finance Minister for resolving the formula financing issue, I do have a concern.

The problem is we MLAs have no say in how those unexpected monies are spent. We only get to see how it is spent after the fact. If we receive unforecasted revenues, there should be a plan in place on how to use the money. Instead, what is happening is that the MLAs are being bypassed like a leaky storm drain.

Mr. Speaker, when I do up my income tax, I expect a certain amount back. I do not know exactly how much it might be, but I can look at my options. Like a game show contestant, Mr. Speaker, I might look at a vacation or choose to get a new set of tires, or I may want to pick new living room furniture. In other words, a plan for unexpected revenues.

Mr. Speaker, there needs to be a plan in place for unforeseen revenues. It should involve all MLAs in the decision-making process, and that is in advance, Mr. Speaker. Thank you.

-- Applause

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

Member's Statement on International Diabetes Month

MR. BRADEN: Thank you, Mr. Speaker. Mr. Speaker, November is National Diabetes Month. With an aging and less active population across North America, and I think we are included in that in the NWT, diabetes is becoming a more costly and serious problem for all health care systems.

It is estimated that four to six percent of the population have type 2 diabetes, Mr. Speaker. The Canadian Diabetes Association says that for every person who has diabetes, there

is another who goes undiagnosed. Many people who have type 2 diabetes are not aware of it.

Some questions that I suggest asking are the following:

- Are you 45 years of age or over?
- Are you overweight, particularly around your middle?
- Do you get enough exercise?
- Are you aboriginal?
- Does your brother or sister or a parent have diabetes?

If you have checked two or more of these, you are at risk of developing type 2 diabetes. Having these risk factors does not mean you will get diabetes, but the risk increases. The advice, Mr. Speaker, is that we should all have our blood sugar levels checked at least every three years.

There are two important points to stress, Mr. Speaker. Type 2 diabetes is largely preventable. Its onset may be delayed through healthy lifestyle choices, including a healthy diet, weight control, exercise and reduction in stress. Diabetes can be managed through proper monitoring, testing and lifestyle; eat properly, get enough exercise and do not smoke.

In closing, Mr. Speaker, I would like to acknowledge the tremendous efforts of the Stanton Diabetes Education Program, which is conducting screening and outreach programs in communities in the NWT, starting with Fort Simpson beginning on November 14th, which is World Diabetes Day.

Mr. Speaker, I would especially like to compliment two constituents of the Great Slave Riding, Mary Deans and Mabel Wong, who are making their own contribution to this awareness effort. Thank you, Mr. Speaker.

-- Applause

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

Member's Statement on Special Needs of Children With Disabilities

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to draw the attention of this House and in particular the Ministers of Health and Social Services and Education, Culture and Employment, to the need for financial assistance for those children with special needs and learning disabilities.

Mr. Speaker, one of my constituents has a daughter with a visual/perceptual dysfunction called scotopic sensitive syndrome, which makes it very difficult for her to read and learn without special glasses that correct her visual and perceptual impairment.

The important factor is that this impairment went undiagnosed for many years. It was only with my constituent's persistence and knowledge about this syndrome that she was able to get her daughter in to see a specialist and be properly diagnosed and treated with specially made glasses. This happened while the family was on vacation in Saskatchewan this past summer.

The unfortunate thing is that she has been denied a reimbursement of almost \$900 that she spent in giving her daughter this gift of new life where she can learn freely.

Mr. Speaker, I would like to advise this House that I have written to the offices of the Ministers of Health and Social Services and Education, Culture and Employment about two weeks ago and I have not yet had a reply. I would just like to make a formal and public request to the Ministers to direct their staff to do the right thing and reimburse this cost to my constituent. Thank you, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Ms. Lee. Item 3, Members' statements. The honourable Member for Tu Nedhe, Mr. Nitah.

Member's Statement on Mackenzie Valley Impact Review Board

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, my Member's statement today is on the Mackenzie Valley Impact Review Board and its creation. The Mackenzie Valley Impact Review Board was created as a result of the Gwich'in and Sahtu land claims. Their involvement in decision making on developments on their lands and down the Mackenzie was part of the agreement.

The federal government hung on to it for the longest time and only when the Gwich'in and the Sahtu groups threatened to sue the federal government did they establish the Mackenzie Valley Impact Review Board. That is great for the Sahtu. That is great for the Gwich'in. However, for those land claim groups such as the Akaitcho, the Deh Cho, the Dogrib, the South Slave Metis, their involvement in the Mackenzie Valley Impact Review Board is one of honorary members. They do not have decision-making power. The Sahtu and the Gwich'in board appointees, along with federal and territorial governments, make the final decision.

For that reason, groups such as the Akaitcho and the Deh Cho do not agree with the Mackenzie Valley. They do not believe that -- as far as their process, they feel that when decisions are made by this board, it is in self-interest. An example, if a diamond mine is approved in this area, any royalties coming from those diamond mines, the Sahtu and Gwich'in get a percentage of those royalties. It may be a small percentage but, Mr. Speaker, it is still a little bit of self-interest.

The First Nations in communities that do not have land claims are not even recognized. If a community wishes to take a project in their area to the environmental assessment phase, the mayor and council of those communities have to do it, Mr. Speaker. Is that fair to the First Nations or those groups? I do not think so.

Towards that end, they have interim measurement agreements, but on this the subject areas are negotiated. However, it does not carry too much weight, according to the Minister of RWED. The only thing the First Nations are left to do is to file a court injunction if a permit has to be granted for work to be done on their land.

I will have questions for the Minister responsible for RWED on this matter, Mr. Speaker. Thank you.

MR. SPEAKER: Thank you, Mr. Nitah. Item 3, Members' statements. Item 4, returns to oral questions. The honourable Minister responsible for Transportation, Mr. Steen.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return to Question 153-14(4): Reinstatement of Capital Projects

HON. VINCE STEEN: Thank you, Mr. Speaker, good morning. Mr. Speaker, I have a return to an oral question asked by Mr. Krutko on October 29, 2001, regarding the reinstatement of deferred capital projects on the Dempster Highway.

The Member for Mackenzie Delta asked me a question about two cancelled contracts on the Dempster Highway.

The two cancelled contracts were culvert replacements, kilometre 0 to kilometre 20, estimated at \$500,000, and the embankment widening, kilometre 127 to kilometre 130, estimated at \$450,000. The contracts were elements of the Dempster Highway Project, which was approved in this year's main estimates with a total project budget of \$5 million.

The foundation gravel component of the culvert replacement for work was recently tendered and has been awarded to Tetlit'zheh Trucking of Fort McPherson at \$490,000. This contract is in progress for completion this fiscal year.

The embankment widening work has been rescheduled for completion during the summer of 2002. Proceeding with the later contract will be subject to the main estimates budget approvals. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Range Lake, Ms. Lee.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize Mr. Mike Vaydik, executive director of the NWT Chamber of Mines, and Denise Burlingame, senior public affairs officer for BHP Mines. Thank you.

-- Applause

MR. SPEAKER: Item 5, recognition of visitors in the Gallery. The honourable Member for Yellowknife Centre, Mr. Ootes.

HON. JAKE OOTES: I would also like to recognize Mr. Vaydik and Ms. Burlingame. They are constituents of mine, Mr. Speaker.

-- Applause

MR. SPEAKER: Thank you, Mr. Ootes. Item 5, Recognition of visitors in the Gallery. I would like to welcome you to the gallery, including members of our media. Item 6, oral questions. The honourable Member for North Slave, Mr. Lafferty.

ITEM 6: ORAL QUESTIONS

Question 200-14(4): Spending Unforecasted Revenues

MR. LAFFERTY: Thank you, Mr. Speaker. As a consensus government, we are supposed to plan together for the future

and that is the Cabinet working along with all of the Regular MLAs. I would like to ask the Minister of Finance, the Honourable Joe Handley, if he is willing to work along with Regular MLAs in making plans for unforeseen revenues? Thank you, Mr. Speaker.

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

Return to Question 200-14(4): Spending Unforecasted Revenues

HON. JOE HANDLEY: Thank you, Mr. Speaker. Certainly we want to work with all of the MLAs in any plans that we have for any revenues we have. In fact, to me there is a very clear process already in place. It is called the business planning process. We have been going through that. I have been very open and upfront with Members in telling them about any revenues that we anticipate or that we have. We have all spent a lot of time on that process in the last little while and we will continue to use that process.

As well, Mr. Speaker, if there are unusual situations, we are open to alternatives. I think the Premier has, in fact, said to some of the Members or the chairs that we would be willing to look at alternatives if they want. We are open. This is consensus government. Thank you.

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

Supplementary to Question 200-14(4): Spending Unforecasted Revenues

MR. LAFFERTY: Thank you, Mr. Speaker. I am glad that the Minister gave me this answer. In the past, we have had our business plans, but upon receiving them, sometimes we have noticed that funds have been identified for future projects without any involvement from the Regular MLAs. I would like to ask the Minister if he will, in advance of spending these funds, get us involved in planning? Thank you, Mr. Speaker.

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

Further Return to Question 200-14(4): Spending Unforecasted Revenues

HON. JOE HANDLEY: Again, let me repeat myself. Certainly we will. In fact, there is a process. It is the business planning process. We are in the middle of that right now. I have been very open, as I said, to all Members and to the Standing Committee on Governance and Economic Development saying, "Here is the revenue we have. Here is what we anticipate. Here are the expenditures we anticipate." I am open. I look forward to recommendations from the committees. Thank you.

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

Supplementary to Question 200-14(4): Spending Unforecasted Revenues

MR. LAFFERTY: Thank you, Mr. Speaker. I know that in the last few months we have been involved in talking about the highway toll. I think the highway is one area where we can use some of these unforeseen revenues. Can the Minister look at projects like that, and others like arenas and campgrounds, with unforeseen funding? Thank you, Mr. Speaker.

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

Further Return to Question 200-14(4): Spending Unforecasted Revenues

HON. JOE HANDLEY: Mr. Speaker, all of our revenues and all of our expenditures have to be looked at in the longer term. We cannot run to the store every time we have a few nickels in our pocket and spend them. If we do that, then we are going to get ourselves in a lot of trouble.

Mr. Speaker, whenever we have new revenues, we have to look at our long-term picture. As I have said to Members before, when we are facing the possibility of an economic recession in Canada, when we are facing the possibility of losing money on our grant, then we have to look long term.

At today's expenditures, we are looking at hitting our borrowing limit some time in late 2004-2005. I have to look at that. I have to look at all of the revenues we get. If we spend the revenues right now, we are going to reach our borrowing limit a lot faster. I am prepared to sit down and go through the fiscal framework with Members any time, review it, get your input. In fact, I would appreciate, any time you want, to do that and get your advice on that. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, oral questions. The honourable Member for Tu Nedhe, Mr. Nitah.

Question 201-14(4): Akaitcho Interim Measures Agreement

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, my question is for the Minister of Aboriginal Affairs and Justice, Mr. Jim Antoine. My question relates to my statement on the environmental impact review board and how the Government of the Northwest Territories, along with the federal government, signed an agreement with the Akaitcho government called the Interim Measures Agreement, which is a tool the Akaitcho is supposed to have to participate in the Mackenzie Valley Impact Review Board decisions.

My question is directly related to the Patterson sawmill application and the subsequent environmental assessment done by the board. What role does the interim measures agreement that was signed between the GNWT, the federal government and the Akaitcho have in the Mackenzie Valley Impact Review Board as it specifically relates to the Pine Point areas Patterson saw mill application for cutting? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. The Chair is not quite sure. You are asking the question to the Minister of Aboriginal Affairs, but it seemed like an RWED question. However, you did direct it to Aboriginal Affairs. Mr. Antoine, you may answer it if you choose.

Return to Question 201-14(4): Akaitcho Interim Measures Agreement

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the question is what role is the Interim Measures Agreement that the Akaitcho Territory First Nations signed with the federal government and the GNWT? My understanding is that the GNWT and the Akaitcho Territory First Nations still have to negotiate four schedules to complete the Interim Measures Agreement. Canada as well as the Akaitcho Territory First Nations are negotiating schedules that relate to the federal jurisdiction.

The nature of the Interim Measures Agreement is that while negotiations are going on, what type of interim measures will be put in place on the lands that the Akaitcho Territory is negotiating. There is still some work to be done in how the Interim Measures Agreement is going to work. You asked how this is going to be used as a tool. Well, it still has not yet been completed. Thank you.

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

Supplementary to Question 201-14(4): Akaitcho Interim Measures Agreement

MR. NITAH: Thank you, Mr. Speaker. Mr. Speaker, in our document, Towards a Better Tomorrow, as part of our vision for a prosperous future, we talk about aboriginal and other northern leaders working together in support of a common vision and a strong sense of identity. Another area, aboriginal people having greater self-determination over their social, cultural and political destiny.

On behalf of this government, the Minister signed an agreement called the Interim Measures Agreement. The Minister of RWED said in this House to my question, what is the role of RWED if the Minister of DIAND, who is reviewing the decision of the Mackenzie Valley Impact Review Board, decides there is no environmental impact? Minister Handley, as Minister of RWED, had indicated to me that he has no choice, but to issue the permit to Mr. Patterson. That is against the wishes of the First Nations in the Deninu Ku'e and Akaitcho.

Now, what role will the Minister, as Minister of Aboriginal Affairs, have if the permit is granted by RWED? Thank you.

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for the Ministry of Aboriginal Affairs, Mr. Antoine.

Further Return to Question 201-14(4): Akaitcho Interim Measures Agreement

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the role of the Minister of Aboriginal Affairs is to coordinate negotiations. I just want to get back to the original question of the Interim Measures Agreement. I think that is the vehicle to use in this regard in dealing with the issue, because the four negotiating schedules that form part of the agreements that are still being negotiated are the parks, the forestry, the tourism and disposition of the Commissioner's lands.

The process has been agreed on for negotiations and we are in the midst of trying to figure out how this Interim Measures Agreement is going to work in the Akaitcho Territory in regard

to these four areas they talked about, one of them being forestry. Not knowing exactly how the working arrangement is going to be, it is difficult to determine what the outcome is going to be.

I know there is an application for forestry in the Akaitcho area of interest, but at this point in time my role in Aboriginal Affairs is to negotiate these Interim Measures Agreements. Thank you.

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

Supplementary to Question 201-14(4): Akaitcho Interim Measures Agreement

MR. NITAH: Mahsi cho, Mr. Speaker. Can the Minister give us an update on that particular area of negotiations where it deals with forestry? Can we expect some kind of closure or some kind of conclusion to these negotiations so that we can use the Interim Measures Agreement as a tool while under this very pressing moment? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for the Ministry of Aboriginal Affairs, Mr. Antoine.

Further Return to Question 201-14(4): Akaitcho Interim Measures Agreement

HON. JIM ANTOINE: Thank you, Mr. Speaker. The area that RWED has the jurisdiction of, parks, forestry and tourism, was supposed to be the subject of the first negotiating session this month. At this point in time, I have to get specific information of exactly what was negotiated and where we are at and I need to get that information back to you. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Final supplementary, Mr. Nitah.

Supplementary to Question 201-14(4): Akaitcho Interim Measures Agreement

MR. NITAH: Thank you, Mr. Speaker. Mr. Speaker, in the interest of a better tomorrow and a prosperous future, can the Minister commit in this House today to undertake to write a letter to Minister Robert Nault to delay any kind of decision in the Patterson saw mill so that these negotiations can be concluded and that we can proceed forward in an organized and respectful manner? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Nitah. The honourable Minister responsible for the Ministry of Aboriginal Affairs, Mr. Antoine.

Further Return to Question 201-14(4): Akaitcho Interim Measures Agreement

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, yes, we could write a letter, but first of all we need to find out exactly where we are in terms of negotiations with the IMA. Then we will determine from there if we need to write this letter. I think it is important to let the federal Minister know where the Akaitcho Territory First Nations is in terms of the area that they want protected while they are negotiating. I think it is important to do that. Thank you.

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

Question 202-14(4): Nurse Practitioner Program Liability Concerns

MR. BELL: Thank you, Mr. Speaker. My question today is for the new Minister of Health and Social Services. The other day, Members of this House had occasion to meet with the Northwest Territories Medical Association and we talked about the nurse practitioner program and some of the problems that have arisen.

It started out and we all had very high hopes for this program, but there has been some problem with buy-in from physicians and others. One of the problems has been the issue of joint liability as it relates to this collaborative care. As legislators, we can certainly go forward on some legislation that might govern nurse practitioners and deal with some of these liability issues. I am wondering if the Minister is prepared to do that and can give me any indication at this time if it is going forward. Thank you.

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

Return to Question 202-14(4): Nurse Practitioner Program Liability Concerns

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I have had this portfolio for about 16 hours, but the issue the Member raises is a good one. I support the nurse practitioner concept and I will commit that as we do the briefings and as I meet with all the Members and do the work to move this agenda along, that will be one of the issues we will look at in a serious way so we can come forward with some options of how we can address the issues that were raised at the briefing. Thank you.

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

Supplementary to Question 202-14(4): Nurse Practitioner Program Liability Concerns

MR. BELL: Thank you, Mr. Speaker. I am hoping the Minister will also commit to some consultation with the Northwest Territories Medical Association. It seems to me that a logical fit might be lumping this legislation governing nurse practitioners in with the Health Care Professions Act. I am hoping that the Minister will commit to meeting with the Northwest Territories Medical Association to have discussions on this issue. Thank you.

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

Further Return to Question 202-14(4): Nurse Practitioner Program Liability Concerns

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Yes, I will.

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

Question 203-14(4): New Aklavik Health Centre

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I too have a question for the Minister of Health and Social Services, Mr. Miltenberger. It is in regard to the Aklavik Health Centre. Mr. Speaker, the community of Aklavik agreed to allow the new health centre to be built on the existing ball diamond. A lot of work and effort went into developing the ball diamond. A lot of it was volunteered.

Mr. Speaker, the people of Aklavik's understanding at the time was, with the occupation of the ball diamond with the new health centre, that they will also have the resources to build a new ball diamond.

Mr. Speaker, the community of Aklavik, along with myself, would like to know what the status of the situation is and where the resources are to replace the ball diamond that is presently being occupied by the new health centre.

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

Return to Question 203-14(4): New Aklavik Health Centre

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to ensure my colleague that I am very interested in playing ball with the Members opposite and will make every effort to be as responsive as possible.

With regard to the Member's question, I thank him for asking it yesterday to give me time to check that the money is in the budget. It would appear that construction season is probably gone for this year in terms of ball diamonds. I know the Member had some suggestions of alternative use, which we are prepared to look at. However, I understand the money is in the budget. Thank you.

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

Supplementary to Question 203-14(4): New Aklavik Health Centre

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister exactly how soon can the community of Aklavik expect to have the money in their hands and out of the budget?

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

Further Return to Question 203-14(4): New Aklavik Health Centre

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, that particular question will be part of the briefings I hope to undertake next week. I cannot give the Member a firm answer, but it is now on our to-do list. It has been raised and the department is aware of the concerns. We will be making

every effort to ensure that we comply and honour the agreement. Thank you.

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

Supplementary to Question 203-14(4): New Aklavik Health Centre

MR. KRUTKO: Thank you, Mr. Speaker. With regard to the question about the ball diamond, it has been some time that the health centre has almost completed construction. Hopefully, we will have an opening here shortly. I think the community is in need of having those resources on hand so they can start doing the planning themselves in house, but they need an answer as soon as possible. Can the Minister give me written assurance that it will be available to the community in a short time?

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

Further Return to Question 203-14(4): New Aklavik Health Centre

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. I will commit to a written response to the Member within a week. Thank you.

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

Question 204-14(4): Health Care System Sustainability

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, following up on my statement earlier today, I have a question for the Minister responsible for Health and Social Services. Mr. Speaker, with health care costs increasing across Canada over 40 percent in the past four years, can the Minister confirm that the problem of sustainability in our system is driven most by rising program costs?

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

Return to Question 204-14(4): Health Care System Sustainability

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. I see no point of dispute with the Member's statement. Thank you.

MR. SPEAKER: Supplementary, Mr. Dent.

Supplementary to Question 204-14(4): Health Care System Sustainability

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, I appreciate the Minister's response. Will the Minister commit to seek dialogue, much as requested by Mr. Bell, with northern stakeholders? Not just the NWT Medical Association, but the NWT Registered Nurses Association, the Social Workers Association, when redesigning the health and social services system?

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

Further Return to Question 204-14(4): Health Care System Sustainability

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to assure my colleague that I do not make light of the issue of sustainability. I know it is a critical question to be dealt with as we look at health and social services and where we are going to go as a government in dealing with the issues of the day in that area.

Yes, I will commit to consulting with all of the stakeholders. I am very interested in that issue. I have learnt it well as a member of Social Programs. I have heard Mr. Dent speak quite eloquently on the issue. It has not been lost on me, the years I have been on that committee. Thank you.

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

Supplementary to Question 204-14(4): Health Care System Sustainability

MR. DENT: Thank you, Mr. Speaker. I would like to ask the Minister if he will commit to reviewing the reports that have been done over the past few years and examine whether or not their recommendations have been adequately addressed.

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

Further Return to Question 204-14(4): Health Care System Sustainability

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, it is being done as we speak.

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

Supplementary to Question 204-14(4): Health Care System Sustainability

MR. DENT: Thank you, Mr. Speaker. Mr. Speaker, will the Minister commit to no more studies in health and social services for the life of this government?

SOME HON. MEMBERS: Hear, hear!

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

Further Return to Question 204-14(4): Health Care System Sustainability

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to assure the Members opposite that this department will not be the department of perpetual planning and study. There will be no more studies. We will be moving on to action and implementation. Thank you.

-- Applause

MR. SPEAKER: Thank you, Mr. Miltenberger, Mr. Dent. I see they are following the rules to the letter -- short questions, short responses. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 205-14(4): Update on Human Rights Legislation

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, my question today goes to the Minister of Justice regarding the Human Rights Act that the government has been working on. I believe the plan was to have the act introduced sometime this fall, but every indication that I see is that this may not be possible. It may not be happening. I was wondering if the Minister could advise the House as to where the government is with respect to this legislation. Thank you.

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

Return to Question 205-14(4): Update on Human Rights Legislation

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, yes, the department has been working very hard in developing new human rights legislation to replace the Fair Practices Act. We have done a lot of work. We received some feedback in the whole area of pay equity. It is also something that we took on as a part of the consultation. This is something new that we have started working on because the original proposal dealt with only part of the Human Rights Act.

This work requires more work. I did commit in previous sessions that we were aiming to introduce it this session, but unfortunately, we will only be able to table a draft discussion paper at this point in time and wait until the February session to introduce the legislation. Thank you.

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

Supplementary to Question 205-14(4): Update on Human Rights Legislation

MS. LEE: Thank you, Mr. Speaker. I am just wondering, I am aware of the fact that this government is still engaged in a legal process with respect to pay equity. I see some contradiction in the government being involved in the litigation of pay equity and yet, at the same time, trying to address it through the Human Rights Act. I wonder if the Minister could clarify as to where the government's position is and if he sees any contradiction in this two-pronged effort. Thank you, Mr. Speaker.

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

Further Return to Question 205-14(4): Update on Human Rights Legislation

HON. JIM ANTOINE: Thank you, Mr. Speaker. Mr. Speaker, the development of the Human Rights Act is to make better the whole area of human rights in the Northwest Territories. We do have quite a fair bit of protection in the Fair Practices Act, but we want to enhance that and we want to make sure that the area of human rights is comparable to what is available in the Canadian Human Rights Act in other jurisdictions.

In the area of pay equity, I am told by the officials in the Department of Justice that the whole area of pay equity is there and it has not been figured out to everybody's satisfaction yet, even though it is practiced in other jurisdictions. We need to do more work on that to make sure that we get it right. I think that even though there is some litigation out there, I think we could still go ahead with the legislation the way we are developing it. Thank you.

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

Supplementary to Question 205-14(4): Update on Human Rights Legislation

MS. LEE: Thank you, Mr. Speaker. It looks like we still have a lot of work to do on that. Could the Minister advise as to whether or not he will be able to table the legislation by the earliest session in the new year? Thank you, Mr. Speaker.

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

Further Return to Question 205-14(4): Update on Human Rights Legislation

HON. JIM ANTOINE: Thank you, Mr. Speaker. I would like to introduce the first and second reading, if possible, in the next session in February. Thank you.

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

Supplementary to Question 205-14(4): Update on Human Rights Legislation

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, at the same time, may I ask the Minister to provide the Members of the House regarding some of the outcomes of the consultation process during the week? In particular, the question about pay equity and any other important issues that may have arisen out of the consultation process? Thank you, Mr. Speaker.

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

Further Return to Question 205-14(4): Update on Human Rights Legislation

HON. JIM ANTOINE: Thank you, Mr. Speaker. Yes, I will provide the honourable Members with that information. Thank you.

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

Question 206-14(4): GNWT Response to MD Resource Plan

MR. BELL: Thank you, Mr. Speaker. Mr. Speaker, my question is again for the new Minister of Health and Social Services, while we are on a nice roll in getting some commitments. The NWT Medical Association submitted an MD Resource Plan to the department, which indicated they felt the need for 30 additional physicians. The department has not officially responded to the NWTMA. I did get some assurances from Minister Antoine the other day that they intend to do this, but I

would like Mr. Miltenberger, if he could, to reiterate that and give me some sort of a time frame for officially getting back to the NWTMA. Thank you.

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

Return to Question 206-14(4): GNWT Response to MD Resource Plan

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I am aware of the request and we have to balance off the needs for doctors with resource issues with the nurse practitioner program and try to get those pieces to fit. I will reiterate the commitment made by Mr. Antoine that there will be a reply. I would like to suggest that it will be done within a month. Thank you.

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

Question 207-14(4): Tender for Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Transportation, regarding my questions yesterday. I would like to ask the Minister, was he aware that there was a tender being posted by the Town of Inuvik to access gravel from the gravel pit at the Inuvik airport?

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

Return to Question 207-14(4): Tender for Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, the Department of Transportation did not tender any contracts for crushing out of the Inuvik airport pit or from the pits in the Inuvik area. Thank you.

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

Supplementary to Question 207-14(4): Tender for Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I will restate my question. I do not believe the Minister understood my question. My question is was the Department of Transportation aware of a contract that was let by the Town of Inuvik to access the gravel pit at the Inuvik airport?

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

Further Return to Question 207-14(4): Tender for Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, as I said yesterday, the department became aware of it after the fact, in that we were approached by contractors as to their ability to access the pit. We received a letter from the town later requesting access to the pit. Thank you.

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

Supplementary to Question 207-14(4): Tender for Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell me if he is aware of a letter that was written from the mayor of Inuvik on August 8th to himself, as the Minister of Transportation, requesting access to this pit at the Inuvik airport?

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

Further Return to Question 207-14(4): Tender for Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Yes, Mr. Speaker, that is the letter I am referring to. The mayor did write to me as a Minister, yes.

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

Supplementary to Question 207-14(4): Tender for Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Can the Minister tell me then, when did he see the letter that was sent to him on August 8th requesting access to the pit in Inuvik? You stated earlier you were not aware of it until after the fact. As far as I am concerned, that makes it clear. You should have been made aware of it before the fact. When did you see the letter?

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

Further Return to Question 207-14(4): Tender for Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I am not aware of the exact time I saw the letter. I cannot respond to the Member accurately as to what day I received the letter, but it definitely was after the date the mayor wrote it. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, oral questions. The honourable Member for Tu Nedhe, Mr. Nitah.

Question 208-14(4): Opinion on Health and Social Services

MR. NITAH: Mahsi cho, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health and Social Services. As we all know, Mr. Miltenberger was just appointed that portfolio at five o'clock yesterday. He was just elected a few days ago and I would like to congratulate him.

Before his department fills him with briefing notes and directions the department wants to go, I would like to give the Minister an opportunity to tell the people in this House and the Northwest Territories what does he personally feel about the Department of Health and Social Services and what does he want to do with it? Thank you, Mr. Speaker.

MR. SPEAKER: I am going to rule the question out of order. You cannot ask a Member's personal opinion. That question is out of order. Item 6, oral questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

-- Ruled Out of Order

Question 209-14(4): Events Surrounding Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, is the Minister aware of discussions that were held between the public service manager of the Town of Inuvik along with the regional superintendent in the Inuvik region in regard to this pit, which basically took place back on July 31st, at which Mr. Richard Campbell, along with the superintendent, did a tour of the site at the airport to see exactly if it was available for use, which it was at that time, in my eyes, considered by the department. Was the Minister aware that there was dialogue going on between your department and the Town of Inuvik before the contract was let?

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

Return to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I was not aware of that, no.

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

Supplementary to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, with regard to the activities that have taken place from July until the contract was let in the middle of August, August 17th, I would like to ask the Minister, can he tell me if there is any documentation that he is aware of regarding this activity that was taking place that may have been sent, either through e-mail, to anyone in his office who probably, at this time, are running through their files to find it? Were you aware of any documentation or paper trail that this was taking place?

MR. SPEAKER: Thank you, Mr. Krutko. I will just caution Members to be careful on how they phrase questions with references to other people. The honourable Minister responsible for the Department of Transportation, Mr. Steen.

Further Return to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, as I said earlier, I only became aware of the issue and the request to use our quarry site at the time the letter from the mayor came forward. At roughly the same time, I received a call from a contractor asking if we were in fact competing with him in the crushing business. Those two events happened at approximately the same time. Thank you.

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

Supplementary to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, regarding the Minister's answer, could you clarify exactly what you meant if you were competing against him? Did you make the decision that because of the activity of this pit that you were not going to compete against this contractor?

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

Further Return to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, as I recall correctly, the question was phrased in such a manner as to request an opinion of me as to whether or not the Department of Transportation was in the crushing business and competing against this particular contractor. My response was that we are not in the crushing business and we are not interested in competing with him or anyone else. Thank you.

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

Supplementary to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in regard to the contractor that was let go, was the reason that the contractor was cancelled because the department was not going to allow access to the pit after the fact?

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

Further Return to Question 209-14(4): Events Surrounding Inuvik Gravel Contract

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I have no knowledge as to why the contract was cancelled because it was not our contract. It was strictly the town's contract. We had no tender that was put forward relevant to the crushing in that pit.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, oral questions. The honourable Member for Tu Nedhe, Mr. Nitah.

Question 210-14(4): Future Direction of Health and Social Services

MR. NITAH: Thank you, Mr. Speaker. I am sorry if I did not phrase my question right for you to rule me out of order the last time. Mr. Speaker, I am going to borrow a phrase from my colleague, Mr. Krutko. Knowing that the Minister has just been elected to his portfolio, knowing that he is just about to start his position as the Minister of Health and Social Services in earnest soon, I would like to give the Minister an opportunity to answer a question I have to the people of the Northwest Territories through this House.

What is his thinking in dealing with this monumental work as Minister of Health and Social Services? What are the Minister's plans for his department? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Nitah, I am going to rule you out of order again here. You are asking what is his thinking? I will give you an opportunity to rephrase the question, taking into consideration your preamble to the question. Ask a question, Mr. Nitah.

MR. NITAH: Mahsi, Mr. Speaker. Mr. Speaker, what are the plans for the Minister of the Department of Health and Social Services?

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

Return to Question 210-14(4): Future Direction of Health and Social Services

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, there has been a significant amount of work done in the last number of months. For myself as a new Minister, I have to look at that work. I have had my own concerns, as my colleagues will recollect, when I was a member of the Social Programs Committee. There are things we can do immediately. There are things that we are going to take a second look at, such as, in my opinion, the territorial health board concept.

One of the concerns I have is what has happened in this case is there has been a lot of planning done, but the politics and the paper got separated. We got too far ahead with a lot of paper and we did not do the consultation and the work that is necessary.

I want to very quickly meet with the deputy minister and get my briefings. I want to meet with the senior staff. I want to ask to have a chance to talk to the board chairs all within this month to look at what we can do right now. There are some quick wins we can achieve, I believe. There are many, I think, systemic irritants that can be dealt with as a matter of course as we look at the longer planning.

As well, I would like to have a very aggressive schedule to travel to the communities and to the constituencies, hopefully in the next 90 days, all with an eye towards being able to finalize with Cabinet a working document that will lay out the specific things we are going to do in addition to what I just talked about with the quick wins that we can do.

That is what I intend to do at this point, having had the portfolio for 16 hours. Thank you.

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

Supplementary to Question 210-14(4): Future Direction of Health and Social Services

MR. NITAH: Thank you, Mr. Speaker. I would like to extend to the new Minister that before the 17th hour, he come to my communities with me to discuss the government's issue of the delivery of health and social services programs and services. Thank you, Mr. Speaker.

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

Further Return to Question 210-14(4): Future Direction of Health and Social Services

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I am aware of the governance issues in my colleague's riding and we have an overlap issue as well with governance. I will commit to coming into his constituency. It may not be in the 17th hour, but I can assure the Member that I am committed to sitting down to try to resolve that issue. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 6, oral questions. The honourable Member for Great Slave, Mr. Braden.

Question 211-14(4): Chronic Housing Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. Mr. Speaker, my question this morning is for the Minister responsible for the Northwest Territories Housing Corporation, Mr. Allen. It is in relation to the continuing and even more chronic housing shortage here in Yellowknife and I think it might reflect in Inuvik as well.

A quick illustration, Mr. Speaker. I know of one person who had an older trailer unit for rent in the city of Yellowknife and received 30 phone calls, let it go at \$495 and then went on to get another phone call from Vancouver offering \$850. The pressure on housing stock in Yellowknife is severe and it is not going to get any better.

My question for the Minister, Mr. Speaker, is what resources can this government bring to bear to help relieve and address the housing shortage in Yellowknife? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

Return to Question 211-14(4): Chronic Housing Shortage in Yellowknife

HON. ROGER ALLEN: Thank you, Mr. Speaker. Yes, we are currently reviewing the EDAP policy to see if we can fit it into the Yellowknife market. We have met with private developers who inform us that they did not find it economical to put in new housing construction units. We are continually dealing with a number of agencies in the city, as well as Inuvik I might add, to look at other ways of introducing new home ownership programs in the city.

The Member is aware that we did meet, along with the Minister of Finance, with the City of Yellowknife to see if we can find more affordable land. We are undertaking a number of other initiatives. We are also talking with the housing market to see if it is practical to bring in modular homes as well, providing that the potential homeowners contribute more than 50 percent of the purchase price. Thank you.

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

Supplementary to Question 211-14(4): Chronic Housing Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. The Minister has quite capably covered a number of areas there. I think a longer-term solution to this is going to be a complicated one that is going to need a lot of people at the table. Specifically, it seems that lenders and the difficulty in getting mortgage insurance money is a problem. This is something, to my understanding, that really has a foundation with the Canada Mortgage and Housing Corporation. Our government has some agreements in partnership with them.

I would like to be specific about mortgage insurance. Is there any movement in that area that will improve the lending and investment environment in Yellowknife? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

Further Return to Question 211-14(4): Chronic Housing Shortage in Yellowknife

HON. ROGER ALLEN: Thank you, Mr. Speaker. There were two points taken here. First of all, I would like to advise the Member that we are going back to meet with the federal Minister, Mr. Galliano, in November to see if we can make improvements to some of the recommendations that were made in London in August.

Secondly, we are continually working with other departments here to see if we can provide additional loan guarantees or other financing internally to help the development and meet some of the housing crisis here in the city. Thank you.

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

Supplementary to Question 211-14(4): Chronic Housing Shortage in Yellowknife

MR. BRADEN: Thank you, Mr. Speaker. I am pleased to see the initiative with the federal Minister coming up later this month. Land and infrastructure development is a significant part of the start-up cost. Other governments, I think notably the Yukon, has a program where the territorial government will assist with the cost of infrastructure, that is roads, water and sewer, which will help enable new housing starts to begin. Is this government looking at that kind of assistance in high pressure housing markets such as Yellowknife and Inuvik? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for the NWT Housing Corporation, Mr. Allen.

Further Return to Question 211-14(4): Chronic Housing Shortage in Yellowknife

HON. ROGER ALLEN: Thank you, Mr. Speaker. I am probably speaking about a success story of the Department of Municipal and Community Affairs when we did meet with the Town of Inuvik to identify various vacant Commissioner's land, which has turned into a housing development area. Hopefully, we can take that and make progress on it in our consultations with other municipalities that are experiencing the very same

problem. We will hopefully have some solution to the problem and will carry on with formal discussions as we have previously. Thank you.

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

Question 212-14(4): Inuvik Contract for Gravel

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, reading unedited Hansard from yesterday, page 1362, I would like to quote a statement:

I did receive a phone call from a contractor in Inuvik asking us if the department was competing with them in the crushing business. I told him as far as I am concerned and as I know, the department is not interested in competing with them.

Mr. Speaker, I would like to ask the Minister, how is it that you state that you are not interested in competing against a contractor yet, Mr. Speaker, this was not a government contract, so how could you have been competing against this contractor?

MR. SPEAKER: Thank you, Mr. Krutko. The question is directed to the honourable Minister responsible for Transportation. I am not sure what the question was. I will give you an opportunity to rephrase the question, or repeat the question, Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, in the Minister's statement, he said that the department is not interested in competing with him. I would like to ask the Minister, how could the department be competing against him in regard to this contract for crushing gravel? What was meant by you were not interested in competing with them, yet this was not a government contract?

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

Return to Question 212-14(4): Inuvik Contract for Gravel

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, it is a very hard question to answer without having to speculate on what the thought was of the contractor. I believe in the discussions with the contractor, it was suggested that if our pit became available to the general public, including the town, the option was then for another contractor to put a crusher in there, we would then be considered as competing with them. That was the explanation given to me. Thank you.

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

Supplementary to Question 212-14(4): Inuvik Contract for Gravel

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell me, with regard to what you just stated, was that the reason to not allow the contract to be let and accessing that airport pit was because you were afraid you were competing against the contractor who phoned you?

MR. SPEAKER: I trust this is directed towards the department and not the Minister himself. Mr. Minister, you may answer if you choose. Mr. Steen.

Further Return to Question 212-14(4): Inuvik Contract for Gravel

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, as I clarified yesterday, the department was put in a situation where we had more than one request to access that particular quarry site. We then had to take into consideration the amount of material in there, whether or not there was in fact a management plan for that particular pit, and also our future plans for the needs from that pit.

We have to keep in mind that we have major resurfacing of the Inuvik airport to come forward, maybe next year. We also have some resurfacing to do on Highway No. 8. We had to take all of this into consideration as to whether or not we could allow access into that pit at that time. The department decided it was prudent for them to put in a management plan for that pit and until we have one, we did not permit anyone access to the pit. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Krutko, but I will just ask the Member if he would observe the caution that I mentioned earlier on and direct the questions to the Chair to avoid comments like "you" and refer to the Minister or the department. Mr. Krutko, your supplementary.

Supplementary to Question 212-14(4): Inuvik Contract for Gravel

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, again I would like to know why did they cancel the use of the contract in regard to the use of the pit, knowing that it was not a government contract and also that...

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

Further Return to Question 212-14(4): Inuvik Contract for Gravel

HON. VINCE STEEN: Mr. Speaker, the only thing that came into play as to whether we allow access to the pit or not was the lack of a management plan for that particular pit. That was the only thing that we can use to make our decision and we thought that we would not -- basically limiting the town from having access to other sources. It was not a serious thing. We were not interfering with the operation of the town. We took into consideration only the management plan for the pit when we refused access to the pit. Thank you.

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

Supplementary to Question 212-14(4): Inuvik Contract for Gravel

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell me if he is aware that the individual who called him also had a similar bid for the use of that pit, but was unsuccessful. Were you aware of that?

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

Further Return to Question 212-14(4): Inuvik Contract for Gravel

HON. VINCE STEEN: Thank you, Mr. Speaker. Mr. Speaker, I was not aware of the results of the tender. Those tenders were not ours.

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

Supplementary to Question 212-14(4): Inuvik Contract for Gravel

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, would the results have been different if the Minister did not receive this phone call?

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

Further Return to Question 212-14(4): Inuvik Contract for Gravel

HON. VINCE STEEN: No, Mr. Speaker, the results would not have been different because we still had to respond to the mayor's letter and we had to take into consideration the request from the town as to whether they could have access to the quarry site. Thank you.

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

Question 213-14(4): Contract for Inuvik Gravel Supply

MR. KRUTKO: Thank you, Mr. Speaker. My question is to the Premier with regard to the matter at hand. The Minister received a letter from the president of the Gwich'in Tribal Council on this matter, I believe back in August, yet to date nothing has been done. I would like to ask the Premier if he has had his staff look at this concern that was raised through a letter that he received from the president of the Gwich'in Tribal Council?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Premier, Mr. Kakfwi.

Return to Question 213-14(4): Contract for Inuvik Gravel Supply

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. The matter will be raised with the staff and I will review the matter. Thank you.

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

Supplementary to Question 213-14(4): Contract for Inuvik Gravel Supply

MR. KRUTKO: Thank you, Mr. Speaker. Can the Premier acknowledge in the House how soon can he get back? Can he get a reply back before the adjournment of this House?

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Premier, Mr. Kakfwi.

Further Return to Question 213-14(4): Contract for Inuvik Gravel Supply

HON. STEPHEN KAKFWI: Thank you, Mr. Speaker. Mr. Speaker, I will do what I can to make a commitment in the House to the matter. Thank you.

MR. SPEAKER: Thank you, Mr. Premier. Item 6, oral questions. Item 7, written questions. The honourable Member for Mackenzie Delta, Mr. Krutko.

ITEM 7: WRITTEN QUESTIONS

Written Question 8-14(4): Access to Gravel Sites

MR. KRUTKO: Mr. Speaker, I would like to know:

1. Where is there a policy that limits the access or use of gravel pits in the Northwest Territories?
2. If there is no policy, then why is the department both suggesting the use of the airport site and then denying the airport site?
3. Who would provide permission for access to gravel sites located on the Department of Transportation land with regard to other employment? Also, what role does headquarters play in that decision?

MR. SPEAKER: Thank you, Mr. Krutko. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. The honourable Member for Inuvik Boot Lake, Mr. Roland.

ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 8-14(4): Public Review of Bill 9, Commercial Vehicle Trip Permit Act and Bill 10, Public Highway Improvement Fund Act

MR. ROLAND: Thank you, Mr. Speaker.

Overview

The Standing Committee on Governance and Economic Development is pleased to report on its review of Bills 9 and 10, the Commercial Vehicle Trip Permit Act and the Public Highway Improvement Fund Act, respectively. Collectively, they are also referred to as the proposed Highway Investment Strategy. This report was prepared by members of the Standing Committee on Governance and Economic Development. The committee is comprised of myself as chair, Sandy Lee as deputy chair, Bill Braden, Paul Delorey, David Krutko and Steven Nitah.

On June 13, 2001, Bill 9 was introduced by the Honourable Vince Steen, the Minister of Transportation; and Bill 10 was introduced by the Finance Minister, the Honourable Joe Handley. Both bills received second reading on June 14, 2001 and were referred to the Standing Committee on Governance and Economic Development on the same day.

Under the rules of the Legislative Assembly, the standing committee has 120 days to review and report on bills. The committee met frequently to discuss and review research material and legal issues surrounding the bills. The committee, which is not part of Cabinet, conducted public hearings on Bill 9, the proposed Commercial Vehicle Trip Permit Act, and Bill 10, the proposed Public Highway Improvement Fund Act, in the following communities:

- (a) in Inuvik on August 27 and 28, 2001;
- (b) Fort Simpson on September 13 and 14, 2001;
- (c) Fort Smith on October 10 and 11, 2001;
- (d) Hay River on October 11 and 12, 2001;
- (e) Norman Wells on October 15 and 16, 2001;
- (f) and in Yellowknife on October 17 and 18, 2001.

Prior to the public hearings, the committee placed advertisements in newspapers in the Northwest Territories to inform the public of the committee's review, to invite oral presentations and written submissions, and to advise that applications for travel assistance would be considered by the committee. Public service announcements were also aired on northern radio stations and notices placed on community television channels. Media advisories were sent informing the press where the hearings would be held. In addition, the committee provided information packages and offered assistance to over 200 identified interested parties to appear before the committee.

The Standing Committee on Governance and Economic Development would like to thank all the individuals and organizations that presented their views and concerns at the public hearings or by written submissions. The comments and suggestions were of great assistance and were carefully reviewed by the committee during its deliberations.

Appendix 1 and appendix 2 of this report list the numerous concerns and options presented by witnesses who appeared or sent written submissions to the committee, organized by community.

Background to Bills 9 and 10

Bill 9, the Commercial Vehicle Trip Permit Act will allow the government to collect trip permit fees from commercial vehicle traffic weighing over 12,000 kilograms using the territorial all-weather public highway system. It would not collect permit fees from non-all-weather public highway systems such as ice roads. The trip permit fee is based on a truck's axle configuration and its route through designated highway zones. The larger the truck and the farther it travels, the greater the trip permit fee. There will be no need to weigh each truck. The fee is determined by the truck's carrying capacity and the trip it takes. From the Department of Transportation's perspective (and not necessarily from industry or consumer's perspective),

the proposed system would be simple to administer and would allow carriers to obtain trip permits over the telephone.

Under the proposed system, for example, a truck does not need a trip permit if it is empty, if its load begins and ends in the same highway zone, if the trip is only over a seasonal winter road, or is engaged in highway construction.

All fees collected from the Commercial Vehicle Trip Permit Act will be paid into the Public Highway Improvement Fund that is proposed under Bill 10, the Public Highway Improvement Fund Act.

This fund will enable the government to finance reconstruction and upgrading of all existing territorial highways and pay for costs of administering the trip permit system. It will not finance new highway construction. The department stated that the commercial vehicle trip permit fee on commercial trucking would generate \$15 million annually.

Bills 9 and 10 are the foundation of the Department of Transportation's proposed Highway Investment Strategy. The objective of the strategy is to improve the existing territorial all-weather highway system.

The strategy will allow the government to invest \$100 million over and above the \$48 million planned expenditure over the next four years, in the reconstruction and upgrading of existing all-weather highways throughout the Northwest Territories.

Principal Issues

Introduction

In his opening remarks at the outset of the hearing, the chair, being myself, advised the public that the proposed bills are government initiatives and that it was the committee's responsibility to hear the views and concerns of residents of the Northwest Territories. I added that the committee is not part of Cabinet. Finally, I stated that after careful consideration, the committee would report the public's concerns back to their colleagues in the House by way of this report.

The committee heard many concerns from stakeholders and other members of the public arising from the review of Bills 9 and 10. A comprehensive list of these concerns are listed by community in appendix 1 of this report. The committee also heard and received many alternatives to the proposed Highway Investment Strategy from the public. These alternatives or options are addressed later in the report and are listed by community in appendix 2.

The overwhelming majority of public opinion centred upon the following issues:

Increased Cost of Living for All Northern Residents

Without exception, individuals and non-profit organizations were of the opinion that the ordinary residents of the Northwest Territories, not the resource or trucking sectors, would ultimately shoulder the trip permit fees and that these fees would have significant impact upon seniors, the disabled and fixed- and low-income earners. The committee heard from the majority of presenters that Bills 9 and 10 should be scrapped and other options considered. All presenters agreed that the roads need improvement, but this strategy is the wrong way to do it.

Presenters noted resource companies would be able to deduct the trip permit fees from their gross taxable income. Trucking companies would not absorb the fees as they are in the business of making money and will have to recover their costs. These fees, further increased by costs relating to their complex administration, will be passed on to their customers who in turn recover their costs from the final consumer, the residents of the Northwest Territories. As the goods are transferred from one party to another, costs are increased by the inclusion of GST and other overhead such as supplementary paperwork, which significantly increases the ultimate costs of goods.

In its written and oral submissions to the committee on October 12, 2001, the Hay River Seniors' Society concluded that:

The road tax, or trip permit fee, will be applied universally and its impacts on our economy can be potentially devastating, whether it is a package of chewing gum or fuel to heat your home. This tax, or fee, reaps rewards; but this revenue will be converted into higher costs that are passed onto consumers.

With an increased cost to people receiving social benefits and those living on fixed income, including seniors, this plan offers great peril... for us on fixed income, it is a double whammy. We must first absorb the increased cost of living through belt tightening.

This is further supported by a presentation made by the Northwest Territories Trucking Association on October 17, 2001, in Yellowknife, which stated:

Transportation is an essential service. It is a significant component of the high cost of living in the North, a cost that includes food, shelter, heat, clothing and other essentials. The proposed toll fee will increase these costs further.

Our Finance Minister says it will add \$300 per year for a family of four. The actual cost increase will be about four to five times higher for a family in Fort Good Hope than it will be for a family of four in Hay River. The recently approved increase to our cost of living tax credit will give additional relief of \$177 per year for our wealthiest citizens and less than \$100 for a family with a net taxable income of less than \$35,000. (Speaking notes for a presentation by the Northwest Territories Trucking Association to the Standing Committee of the NWT Legislative Assembly, October 17, 2001, page 2)

Furthermore, only a small portion of goods and services purchased by the average Northwest Territories household was taken into consideration by the government in its impact analysis of the fee upon Northwest Territories residents. In a study commissioned by the Chamber of Mines for the Northwest Territories and Nunavut, it was reported that:

The government provides data only for the impact on groceries, heating fuel and motor fuel which, according to Statistics Canada, accounts for only 20 percent of the 1998 Northwest Territories household expenditures. It does not take into account the fact that all goods and services, such as cars, building materials, air tickets, et cetera, in the Northwest

Territories households would be impacted by the tax or fee.

The exclusion by the government of 80 percent of the goods and services purchased by the Northwest Territories households in their cost analysis significantly understates the impact of the road tax on Northwest Territories residents. (A Review of the Proposed Road Tax on the NWT Economy, Preliminary Report -- A Report Prepared by Ellis Consulting for the NWT and Nunavut Chamber of Mines, October, 2001, page 2)

Communities Not on the All-weather Highway System

The committee heard unanimous opinion that the living cost will substantially be increased for residents living and operating businesses in communities that are not on the all-weather highway system.

The proposed Highway Investment Strategy provides funding for the reconstruction and maintenance for the existing all-weather highway system, but not for new highways.

Communities that are not on the all-weather highway system will not receive any direct benefit, but will still be required to pay for part of the strategy through the increased costs of goods and services. Goods including fuel, food and other essential supplies, are in most part shipped via truck to the nearest regional centre before being flown in to these isolated communities and costs will be recovered by every party in the transaction except for the final end-user, that being the residents in the isolated communities.

With the exception of the Food Mail Program, operated by Canada Post and partially funded by the Department of Indian Affairs and Northern Development, there are no other subsidized freight programs for isolated fly-in communities.

Mr. Kevin Diebold, the mayor of Norman Wells, which is a community that is not on the all-weather highway system, informed the committee that:

The council of Norman Wells opposes the imposition of a permit fee. The rationale -- freight costs are already the greatest single impediment to the North.

It creates an additional burden for already high freight costs on our area residents for whom there is no direct benefit. That is not only Norman Wells, but I assume that if you were to hold your meetings in other communities in the Sahtu region, none of which are on the highway system, you would hear the same thing.

Additional costs for administration of the program would also be passed on to the consumer, both for trucking and retail. The cost for a kilogram of freight is greatest in the Sahtu, except for Wrigley. (Norman Wells Committee Transcript, October 15, 2001, page 3)

Most presenters and stakeholders recommend not passing the bills and exploring other options to expand and maintain the territorial highway system. However, if Bills 9 and 10 are implemented, significant numbers of presenters were of the position that exemptions or subsidies for essential goods be

established for communities not on all-weather highway systems. The cost of living is expensive enough for fly-in only communities without them having to contribute to a program from which they do not receive a direct benefit.

Northern Businesses and Economic Development

There was agreement among all businesses that appeared before or made submissions to the committee that if the Highway Investment Strategy is implemented, it will result in hardship and some closures for northern businesses.

All businesses will either have to absorb the cost or pass it on to the customer. Many businesses in the Northwest Territories, especially those in the manufacturing and export sectors, will no longer be viable. The following submission reflects the general sentiment that came before the committee:

The high cost of transportation in the North is perhaps the greatest single impediment to developing the northern economy and increasing business activity and employment opportunities. And that inputs for the production of northern goods and services are expensive to import and finished products are expensive to send to markets. We find it disappointing that the government is seeking to raise the cost of transportation even further.

However, we will not be the only industry to pay for this tax and substantial costs will be passed on to the public as well as to government. (Diavik Diamond Mines, Inc. letter and presentation to the committee, October 17, 2001, page 2)

Regarding the mining exploration activity or industry, Diavik reported that:

At the 2001 Mines Ministers Conference, the Prospectors and Developers Association of Canada has clearly indicated the sad state of the exploration industry in Canada. It has been steadily shrinking for the last four years. Additional costs will further raise the barrier to exploration and discourage junior exploration companies from investing in the Northwest Territories.

These are difficult times. There is a global economic slowdown and the northern economy is not immune from that effect. How long and difficult it will be is still not clear. We do not believe that creating a new tax is wise, nor is it necessary at this time. (Ibid., page 6)

In addition, the manufacturing and export sector will be particularly impacted as these industries have to compete in the national and global marketplace. An example is Fibreglass North. Not only do they have to pay a trip permit fee on raw materials imported to their manufacturing facility, but will be double charged when they export their finished product to market. Fibreglass North can pass these costs on to the customer, but it will most likely lose business to more economical manufacturers in lower cost jurisdictions like Alberta. A \$200 tank would cost \$1,000 by the time it gets to the Alberta border because of the backhaul charge, which would be \$800.

The committee noted that unless businesses can find measures to avoid this tax, such as the use of other modes of

transportation that are limited or prohibitively expensive, they will either have to close or relocate south. The proposed Highway Investment Strategy will also discourage people from starting or expanding their own businesses as well as businesses from moving to the Northwest Territories.

A proposed commercial trip permit fee is also difficult and expensive to administer due to the complexity. Unless a toll is based on weight or volume for liquids and bulky items, it will be unfair. RTL, Robinson Enterprises Limited, expressed some of its concerns in a letter to the committee that:

The majority of shipping customers in the Northwest Territories access LTL (less than load) service. The freight shipments of many customers are combined to make up a full load. Therefore, the permit fee associated with this LTL load must be fairly dispersed between the shipping customers.

In a perfect world perhaps, all customers ship to one destination and even more perfectly, the configuration of trailers used for the trip will always weigh in at the maximum legal axle rate. In the real world, however, there are space consuming, but light weight goods to be shipped (baked goods, potato chips, insulation, et cetera) and very likely there will be line drops (destinations along the way where some cargo is to be delivered or perhaps one or two trailers be dropped off).

Freight transportation is akin to assembling a jigsaw puzzle very quickly. Perishable and time sensitive commodities will not wait for a perfect load configuration and often space is maximized before weight is. The transportation industry is not able to absorb shortfalls in toll collections for less than maximum weight loads. The result will be hidden tolls built into rates.

Shippers or consumers must be able to expect consistent and fair applications of their share of the permit fees. Fifty pounds of potatoes hauled to Hay River should trigger the same toll, whether moved in super B vans or a body truck, regardless of which carrier has been hired to move the goods. In analyzing the proposed fee structure, we note that the per pound rate for maximum weight loads varies with the configuration. (RTL, Robinson Enterprises Limited, July 13, 2001, letter to the Standing Committee on Accountability and Oversight and referred to the GED, pages 2 to 3)

Government of the Northwest Territories

Bills 9 and 10, if implemented, would severely impact upon the Government of the Northwest Territories' ability to maintain delivery of existing programs and services. The government, directly or indirectly, imports most of the goods it needs from the south. These goods may include heating fuel, construction supplies, medical equipment, textbooks and other essential goods. These goods are most likely shipped by carrier, which must pay the vehicle trip permit fee. These fees are passed on to the customer, in this case, the government.

A report prepared for the NWT and Nunavut Chamber of Mines concluded that:

The GNWT will pay a significant portion of the tax and it will lead to higher costs for the departments and agencies, as well as those of local governments, school boards and publicly funded agencies. In addition, the federal government would be impacted by the tax. It is estimated that the government sector will pay about \$4 million or 20 per cent of the tax revenues in 2002. (A Review of the Proposed Road Tax on the NWT Economy, Preliminary Report -- A Report Prepared by Ellis Consulting for the NWT and Nunavut Chamber of Mines, October 2001, page 2)

Further, the NWT Trucking Association stated that:

Will the government be looking for more money to make up the added costs? Will municipalities be looking for more money from the GNWT or will they also raise taxes to pay for their increased costs? How much revenue will the government lose as a result of bankruptcy and losses in businesses and employment income? (Presentation by the NWT Trucking Association to the Standing Committee of the Legislative Assembly, October 17, 2001, page 2)

The general consensus amongst presenters is if the territorial government does not have the resources to maintain and expand its highway system, the government should lobby for and obtain the necessary funding from the federal government.

Principal Options

The committee heard many alternatives to the government's proposed Highway Investment Strategy from stakeholders and other members of the public. A complete list of these options is listed by community in appendix 2 of this briefing note. In summary, the majority of public opinion suggested the following options:

Eliminate the Proposal and Explore Other Options

The option most mentioned at all the public hearings held by the committee is, cancel the proposal and work with stakeholders, aboriginal groups, communities and other members of the public to explore other options. The passage of Bills 9 and 10 represent considerable hardship for the residents and all sectors of the economy of the Northwest Territories.

Ms. Judy Harder of Inuvik made the following statement to the committee:

I oppose this toll tax because it is going to increase the freight rate on everything that we buy, whether it be clothing, food, fuel for our vehicles, whatever is brought up the highway is going to have an increased freight rate. There is nothing in the North that arrives here where if it does not come by truck, it comes by air. We already know that when the road closure happens, the air-freight cost is over a dollar a pound. If it is not coming by air, it is coming by truck.

My petition states that we the residents of Inuvik region oppose the proposed toll fee on the Dempster Highway. To even consider increasing the cost of freight to this region will increase the cost of living for every man, woman and child and that is unacceptable. We do not agree to an increase to our

food costs, clothing costs, transportation costs, fuel costs, everything that we buy. We request that the Government of the Northwest Territories rescind this proposal. (Committee transcript, Inuvik, August 27, 2001, page 11)

Lobby the Federal Government

The second most frequent option was to lobby the federal government for more funding and aggressively pursue a greater share of our resource royalty revenues from the federal government.

In the past and within our current formula financing agreement with Ottawa, it is the federal government who receives most of the benefit from resource development in the North. Under the existing formula financing agreement, for every additional dollar in tax revenues that is received by the territorial government, Ottawa receives 80 cents. If the federal government is receiving most of the benefit, then they can pay their fair share for the investment in highways.

There are no guarantees from the federal government that the proposed fee would not be clawed back in future formula financing agreements with Ottawa. This was an ongoing concern of the committee. Unfortunately, in the committee's correspondence with the territorial Finance Minister on this issue, the Minister was unable to provide a solid assurance that the proposed fee would not be clawed back:

I am writing in response to your letter of May 25, 2001, in which you request a special revenue exclusion under the territorial formula financing for the new highway toll you are introducing. It is my understanding that although this is not a concern under the current TFF agreement, however, you are seeking a special exclusion for the next agreement which would commence in 2004-2005.

...I am not in a position to make such a commitment at this time.

...I would not want to prejudice the outcome of that process.

(June 18, 2001 letter to the Honourable Joe Handley, Minister of Finance, Government of the Northwest Territories, from the Honourable Paul Martin, Minister of Finance, Government of Canada)

Mr. Frank Pope, a town councillor from the community of Norman Wells, summed it up by suggesting:

When you go back and write your report on this, I think you should direct the Cabinet, the Premier, et cetera, to go after the federal government. That is where the dollars are. There are people who are being well paid from our resources from the Northwest Territories. Once DeBeers and Diavik come on-line and that starts to pay for itself again, unless these things change, the royalties, the dollars are going to flow into federal coffers and they will give you a little back. (Committee's minutes, Norman Wells, October 16, 2001, page 10)

Exemptions

Many presenters were not hopeful, that despite the bill's shortcomings, the government would shelve the proposal. As a result, in light of the already high cost of living in the North, especially for isolated fly-in only communities, numerous presenters suggested exemptions be considered. These exemptions are twofold:

- (a) If the proposal is considered, include exemptions for groceries, clothing and other essential goods to minimize the impact upon residents; and
- (b) If the proposal is considered, include exemptions and/or subsidies for communities that are not on the all-weather highway system, as they will be the most severely impacted.

Sunset Clause

At every public hearing, members of the public, non-profit organizations and businesses encouraged the government to include a sunset clause in the proposed legislation.

Presenters were of the opinion that once a government, federal or territorial, introduces a tax or a fee, they will never withdraw it, even when the tax or fee's objective has been achieved.

Examples include our personal income tax system, which was implemented to pay for Canada's participation in World War I, the payroll tax and the GST.

The legislation as it stands does not have a sunset clause. The presenters would like a clause added to the legislation, even if it extends into the future Legislative Assemblies.

Conclusion

The Standing Committee on Governance and Economic Development conducted public hearings in six communities and received written submissions from numerous stakeholders in the Northwest Territories on Bill 9, the proposed Commercial Vehicle Trip Permit Act and Bill 10, the proposed Public Highway Improvement Fund Act. Members of the committee heard general consensus that Bills 9 and 10, collectively referred to as the Highway Investment Strategy, be shelved.

The overwhelming majority of the presenters and the members of the committee appreciated the need for improvements to our existing highway system. However, they concluded in the strongest terms that this strategy is the wrong way to do it.

The proposed strategy would severely impact upon the already high cost of living for the residents of the Northwest Territories, especially upon communities who are not on the all-weather highway system. These isolated communities would be required to pay for a program from which they will not receive a direct benefit. In short, it will not be the resource or trucking sector that will bear the brunt of this strategy, but ultimately, the costs will be borne by the residents of the Northwest Territories.

Almost all stakeholders and residents that came before or made presentations or submissions to the committee recommended the government work with the private sector, aboriginal groups, communities, residents and other stakeholders to develop and consider more realistic options

that would minimize the overall impact upon our already high cost of living.

Accordingly, after a lengthy and detailed consultation process, the majority of the committee members on October 18, 2001, rejected Bill 9, the proposed Commercial Vehicle Trip Permit Act and Bill 10, the proposed Public Highway Improvement Fund Act.

In a press release made on October 23, 2001, myself, the Chair of the Standing Committee on Governance and Economic Development and Ms. Lee, the deputy chair, stated:

The opposition to this proposal was nearly unanimous. It was overwhelming. Everyone agrees we need to improve our highways. Most Northerners agree that the trip permit fee is not the route to take. (Ms. Lee)

The majority of our committee membership cannot in good conscience support the enactment of this legislation. We are hopeful that Cabinet and other Members have been listening to their constituents. (Mr. Roland)

Mr. Speaker, that concludes the report of the Standing Committee on Governance and Economic Development on the review of Bill 9, the Commercial Vehicle Trip Permit Act and Bill 10, the Public Highway Improvement Fund Act. Therefore,

I MOVE, seconded by the honourable Member for Range Lake, that Committee Report 8-14(4) be moved into committee of the whole for consideration. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. We have a motion on the floor. The motion is in order. To the motion. Question has been called. Is the House ready for the question? All those in favour? Thank you. All those opposed? Thank you. The motion is carried. The honourable Member for Inuvik Boot Lake, Mr. Roland.

MR. ROLAND: Thank you, Mr. Speaker. I seek unanimous consent to waive Rule 93(4) and have Committee Report 8-14(4) ordered into committee of the whole for today. Thank you.

MR. SPEAKER: Thank you. The honourable Member is seeking unanimous consent to waive Rule 93(4). Are there any nays? There are no nays. Therefore, Committee Report 8-14(4) is ordered into committee of the whole for today. Thank you, Mr. Roland. 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 63-14(4): Business Credit Corporation 2001 Annual Report

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled Business Credit Corporation 2001 Annual Report. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Item 13, tabling of documents. Item 14, 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: Bills 9, 10, 14; Tabled Document 42-14(4), Tabled Document 51-14(4); and Committee Report 8-14(4), with Mr. Krutko in the chair.

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

CHAIRMAN (Mr. Krutko): I would like to call committee of the whole to order. We have several items to deal with: Bill 9, Bill 10, Bill 14, Tabled Document 42-14(4), Tabled Document 51-14(4) and Committee Report 8-14(4). What is the wish of the committee? Mr. Dent.

MR. DENT: Thank you, Mr. Chairman. I would like to recommend that the committee consider Committee Report 8-14(4).

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

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): With that, we will take a short break and continue on with Committee Report 8-14(4).

-- Break

CHAIRMAN (Mr. Krutko): I will call the committee of the whole back to order. Prior to our break, we decided to deal with Committee Report 8-14(4). General comments. Mr. Steen.

HON. VINCE STEEN: Thank you, Mr. Chairman. Mr. Chairman, the Commercial Vehicle Trip Permit Act is one of two pieces of enabling legislation necessary to implement the government's Highway Investment Strategy. The Commercial Vehicle Trip Permit Act belongs with the Transportation portfolio and, in its simplest terms, authorizes the department to issue permits and collect fees from commercial vehicles carrying cargo over the territorial highway system. This revenue will be used to improve our existing highway system.

The Highway Investment Strategy that proposes to finance the construction with fees paid into a dedicated highway fund has generated a great deal of controversy.

The Department of Transportation receives continuing complaints regarding the condition of our highway system from communities, residents, businesses and travellers; complaints about the quality of gravel, dust, potholes, washboards and narrow width.

There have been allegations that our highways are unsafe, dangerous and a public hazard. The coroner's office implies that highway standards might be a contributing factor in highway accidents. The Highway Investment Strategy will improve the condition of the existing highways in the Northwest Territories.

Investing in Roads for the People and the Economy, a Highway Strategy for the Northwest Territories identified short-term funding needs on the existing highway system of \$196 million. Over the long term, the funding needs a total of \$630 million.

The Highway Investment Strategy proposes to spend \$148 million over four years to catch up to these needs. One hundred million dollars of this amount will be raised through

collections from heavy truck traffic on existing highways as proposed by Bill 9.

The benefits to the Highway Investment Strategy are numerous: paved roads, relieved public concerns about highway safety, better roads means less wear and tear on vehicles, better fuel consumption, lower maintenance costs and reduced travelling time. Tourist traffic will increase and visitors to our North will enjoy a pleasant, relaxed driving experience, no longer a challenging endurance test or horror stories to repeat back home about the NWT.

Mr. Chairman, at the public review into the Commercial Vehicle Trip Permit Act, I heard several criticisms of the act, which the government is prepared to consider.

First and foremost, the public wanted assurances that the collection of trip permit fees would not continue indefinitely. The government will also consider a sunset clause that would repeal the Commercial Vehicle Trip Permit Act on March 31, 2007. This change would give the public the confidence that trip permit fees will not become a permanent source of government revenue.

Secondly, the trucking industry and retailers indicated that it did not support basing the permit fee on a truck's axle configuration. The industry indicated that it would prefer a system based on the truck's actual load weight. Mr. Chairman, the government will consider an alternative to enable the permit fees to be determined on the basis of a truck's declared gross vehicle weight.

More importantly, Mr. Chairman, I ask the committee to give its support to the principle behind the Highway Investment Strategy and its specific enabling legislation we are considering before us today. Through all the public hearings, there was solid agreement from all parties on one point; our territorial public highways are in poor shape and are badly in need of improving. Indeed, I think every Member of this House at one time or another has called my attention to the substandard conditions of our highways and asked me to improve them and bring them up to higher standards.

The Members of this House have also approved our main estimates. They know how much money the government has and how it has been appropriated. In speaking to the Department of Transportation's annual appropriations, I have always pointed out that it is not sufficient to keep up with the needs for life cycle capital restoration.

Mr. Chairman, I fear the consequences of not proceeding now will have a negative impact on our economy and northern business community. The Department of Transportation will be forced to review its current and short-term construction programs. Proposed contracts on Highway No. 3, Highway No. 4 and Highway No. 8 would need to be put on hold. The capital program identified in the current main estimates would require significant change.

Highway construction will create northern business opportunities. Highway construction will create meaningful jobs for Northerners. These opportunities will be moved to the future.

In order to protect the existing highway investment, additional measures may be taken to ensure our highways remain safe and will not be damaged by increased resource traffic.

The Highway Investment Strategy recognizes our predicament and proposes a solution. It identifies the highway capital improvements that are long past due and includes the means to pay for them. As the Minister responsible for the state of our highway system, I am afraid that we cannot wait for the federal government to recognize the fundamental inequity of improving new resource developments that assume the use and wearing out of our roads while pocketing all the royalties.

As we wait and complain, the highways keep wearing out and the restoration falls even further behind. The longer we wait, the more expensive it gets. Permit fees are not a happy solution, Mr. Chairman, however, I have heard no short-term alternatives to this initiative. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. I would like to ask the Minister if he is willing to share his comments with the other Members of the House. Are you open to that?

HON. VINCE STEEN: Mr. Chairman, are you suggesting copies? No problem. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Minister. Any comments with regard to Committee Report 8-14(4)? Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Chairman. I too would like to make some comments in response to the Standing Committee on Governance and Economic Development's report on the public review of Bills 9 and 10.

For the last two years this House has heard many comments from Members on the poor condition of the NWT's highways, in particular, Highway No. 3 between Yellowknife and Rae. There appears to be a broad consensus that our highways urgently need upgrading. The Highway Investment Strategy, including the Commercial Vehicle Trip Permit Fee, is the government's response to these concerns. This strategy is the most workable alternative given the fiscal tools available to us.

The fee itself reflects the fact that much of the wear on the highway system is caused by large trucks. Levying the trip permit fee raises highway improvement funds from those who are responsible for most of the need for improvements. Some have suggested ways the government could borrow to meet the needs for improvements.

Mr. Chairman, borrowing the money for the highway improvement would only be part of the solution. Borrowed money needs to be paid back and any plan to borrow to meet our needs is incomplete if it does not include a method of repaying both the amounts borrowed as well as the interest on that money.

Since the strategy was outlined in the House earlier this year, we have seen a major change in the national economic outlook. The slowdown is expected to have an adverse effect on federal, provincial and territorial budgets. The links between our formula financing revenues and provincial spending and national economic growth mean that we may have even less fiscal flexibility to achieve our objectives without new revenue sources.

It has been suggested that the federal government should pay for part of the cost of highway improvements because it receives most of the benefits through resource royalties from the resource development that is contributing to the damage to our highways.

We agree and will continue to make this case to the federal government. However, we cannot delay the work on our highways while we wait for the federal government to respond.

It has also been suggested that improvements could be paid for by reducing other government spending. Given our current needs in health and education and other critical social programs, I do not believe that this option is workable.

During the public review of the bills, Mr. Chairman, there were strong objections voiced regarding the proposed fee, particularly related to its impact on consumers and northern businesses.

The government has listened to these concerns and is prepared to make changes to address them. Many people have expressed concern about the effect the fee would have on lower income people in the Northwest Territories. The increase to the cost of living credit passed in July partly addressed this concern, but not enough for many.

If the Highway Strategy is implemented, the government is prepared to consider further enriching the Cost of Living Tax Credit to provide for a minimum credit regardless of income level and will have the fiscal flexibility to consider introducing additional measures to reduce income tax for all NWT residents, based on recommendations of the Minister's Advisory Committee on Personal Income Taxation. These could include measures specifically targeted for seniors and people with disabilities.

Earlier this year, we increased social assistance food rates by an average of 7.8 percent and we made a commitment to monitor the effect of the fees on prices in the Northwest Territories. We are prepared to increase benefits for income support recipients and other programs for low-income individuals and families to reduce the impact of the fee. In addition to the changes proposed by the Minister of Transportation, I will propose several changes to the fund legislation itself.

Some people have requested that the legislation include a sunset clause. As Mr. Steen has mentioned, we are prepared to amend the legislation to ensure the fee and the fund end in five years, on March 31, 2007.

We are also prepared to commit that any new funds provided by the federal government for highway improvements will be used to offset the highway investment strategy expenditures and that the term of the fee would be reviewed in light of any such funding.

Concern was raised by the committee about our manufacturing sector. Our government has worked long and hard to ensure that we are building a manufacturing industry in the Northwest Territories. We have not overlooked or dismissed the concerns raised by manufacturers. In fact, as we speak, we have a committee made up of government officials and representatives of the manufacturing sector who are considering a manufacturing incentive program.

I hope these changes and those announced by Mr. Steen will address the concerns that have been expressed about the Highway Investment Strategy.

Mr. Chairman, finally, with all due respect, I have to say I am disappointed by the absence of clear options from the committee's review except to explore other options that we have spent a lot of the last year working on, or to lobby the federal government for more dollars.

I had hoped that if the committee shares the government's concerns about highway conditions, we would have heard more clear recommendations. I sincerely hope, Mr. Chairman, that we can continue to work together to develop those options to enable us to have the means to be able to improve our highway system. That, I am sure, is a concern that all of us share.

With that, Mr. Chairman, I want to say thank you to the committee for their report and the work that they did in holding the public hearings on this matter. I still believe there are ways we can work together to come up with a program that will resolve the concerns you have heard from the public and at the same time see much improved infrastructure for safer travel by all Northwest Territories residents. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Handley. Mr. Handley, I would like to ask if you are open to sharing your comments in regard to the report with your colleagues in the House?

HON. JOE HANDLEY: Yes, Mr. Chairman, I am prepared to do that. Some of it is in handwriting, but I am prepared to share it. Thank you.

CHAIRMAN (Mr. Krutko): Thank you for that, Mr. Minister. I have Mr. Bell.

MR. BELL: Thank you, Mr. Chairman. First of all, I would like to thank the committee for the extensive work they did in reviewing these two pieces of legislation. I know that countless hours of work, public community consultation were involved and I think that, coupled with the profile that these proposed pieces of legislation had in the media and the minds of the public, it was important to do a very thorough and good job on this. I believe they have done so and I want to thank my colleagues for all of the work they have put in.

I would also like to acknowledge that the government, I do agree, has heard from Members of this House continually that we need to do something to fix the state of our highways.

Mr. Chairman, while I do applaud them for coming forward with a proposal that would address these concerns, I think they have heard loud and clear from the public, and I am quoting from the committee's report: "All presenters agreed that roads need improvement, but this strategy is the wrong way to do it." I would concur with that assessment, Mr. Chairman. I think there are various problems that have been raised and the committee has hit on all of them. I just want to key on a few of the ones that I specifically have had difficulty with and have been raised continually by my constituents when they were talking to me about the proposed pieces of legislation.

One of the key things that I heard in talking to my constituents was the need for transparency and predictability. I believe in

the letter submitted to committee from RTL Robinson, the point was made that a cost of a 15 pound bag of potatoes could vary, depending on several factors to be taken into account by the time it got to its destination, wherever that would be within the Northwest Territories. That should not be the case. When we are talking about transparency, Mr. Chairman, the cost of potatoes should not go up because the configuration of a truck was different from week to week and it should not depend on whether or not the truck was full, not full or half full.

I think a lot of these trucking companies now, as was clearly presented to committee, do not wait for a truck to be full before coming up. They are on a schedule. They leave whether the trucks are full or not because a lot of these goods are time-sensitive, Mr. Chairman. I think the government failed to address these concerns with any viable alternative.

Consumers need to see -- and I know I have heard the Minister of Transportation say that they were not concerned about the consumers in this respect because there are other things that consumers cannot be assured of --, but consumers need to see a line item on a waybill when they have freight shipped to them that clearly indicates what the toll amounted is for the goods they received and had shipped. This has to be able to be reconciled with the legislation. I do not think consumers are willing to take the word of an outside agency administering this toll and do not want to have to call trucking companies and ask what the configuration of a truck was and get into disputes over these kinds of things. I think transparency and predictability were never sufficiently addressed in my mind and indeed in the minds of many of my constituents.

The cost of living increase is another point that came across loud and clear. I think the problem here was, and probably even the government may or may not, but I would hope they would acknowledge that they should have looked a little more thoroughly at exactly what the impact might be to northern households. It is one thing to say that we cannot tell, for instance, what the spending patterns for every individual household are. We can only take averages so we cannot give you anything written in stone as to what the impact might be per family, but I think that would be one extreme.

I think what they did was the other extreme. If I look in the report, some research conducted by Ellis Consulting for the Northwest Territories and Nunavut Chamber of Mines indicated that when the government was looking at the cost to the typical family in the Northwest Territories, the data they analyzed and provided only looked at the impact on groceries, heating fuel and motor fuel for a family. According to Stats Canada, that is only 20 percent of 1998 Northwest Territories household expenditures.

Although we cannot tell what every individual family will purchase in regard to cars, building materials, air tickets, these kinds of things, I think that Northwest Territories households would obviously be impacted. Eighty percent of goods and services to be purchased by households were excluded. I think a lot more work at the front end should have been done by our government in analyzing the true cost to northern residents.

Mr. Handley has indicated that he is disappointed that the committee did not come forward with any other options or proposed suggestions as to how this could be retooled and would receive support. With all due respect, Mr. Chairman, I believe that is the Minister's job. We sit here and analyze the

proposed legislation. It is not for us to go outside the scope of that bill and take other alternatives and take those and shop those around to the public. That is for the Minister to do.

I had a *deja vu* experience as he was reading his notes and suggested he was disappointed because I remember exactly the same comments with regard to the hotel tax. I had the same feeling at that time, that it is not for this committee to now propose alternatives to a hotel tax or to this legislation and then go out and shop those around to the public. It is for the government with all of its resources and staff and departments and expertise to roll those out to the public and see what the response is.

Still on cost of living increase, the Minister does have at his disposal several tools which could offset the increase in the cost of living. He has already taken some steps in this Assembly. He has raised the northern tax credit to an additional maximum of \$177 per tax filer. That would be for folks at the high end. Others would receive less. I will give him credit for that. I think that was certainly a needed adjustment, but many have argued that we were due for an adjustment in this area. I think the last time it was looked at was 1993 and certainly this adjustment was justified with or without the proposed change to legislation.

He does have other tools available to him, Mr. Chairman, certainly taxation policy. He established a tax on income committee and they will come forward with recommendations to the Minister. He will present his thoughts to us. I hope he seriously considers aggressively lowering taxes. This is one thing he can do to address the cost of living increase. Of course, there is a cost to that to this government and the cost to that does affect programs and services. I think we all acknowledge that, but I think it is a discussion we need to sit down and have.

He also talked about possible sunseting and analyzing the true impact after a certain period of time. Those are good suggestions as well, but unfortunately, they are too little, too late. I think it still does not address the issue of transparency and predictability. I have no way to present my case after a year of the toll to the Minister as to what the true impact to my household has been. I will not see when I go to Wal-Mart or will not see when I go to the grocery store exactly what the impact was on certain goods that I am purchasing, especially this 80 percent of goods that the government has neglected to analyze in their numbers.

Again, Mr. Chairman, I do want to thank the committee for all their work, but I want to reiterate one main point before I leave this issue and that is clearly I think we all recognize, and I think the public should recognize, that these proposed pieces of legislation are a plan B. We are sitting here and even discussing and debating this issue because, as the Minister has suggested, it would be irresponsible to borrow money without some way to raise revenue.

The reason he has had to come forward with these new proposed revenue-raising initiatives is because our Non-Renewable Resource Strategy has been a dismal failure. I believe the Premier talked about getting a down payment on the Non-Renewable Resource Strategy almost two years ago. This is a strategy of many, many millions -- hundreds of millions of dollars, Mr. Chairman. Our down payment was something like \$3 million to do some work on some roads and bridges. It is

hardly a down payment. I think if the federal government is going to continue to ignore us and continue to refuse to help us in this area, there is only so much that we can go to our residents for, to ask them to shoulder the costs of these needed infrastructure investments. It is not feasible to think that 40,000 people can pay for all these highways and for all these needed upgrades.

I hope that we all continue to remember and recognize that this is really a plan B because we have had an absolute failure at getting any money for our Non-Renewable Resource Strategy.

With that, Mr. Chairman, I would like to thank the committee for all its work and again thank the government for coming forward with initiatives; but they are, as we all realize, going to have to come back with something better. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Bell. At this time, I would like to recognize the people in the audience, the young men and ladies, for coming today to see what goes on in the House here. Welcome to the House.

-- Applause

Next on my list I have Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. As a member of committee, I have had ample opportunity to hear everyone's concerns, and as much to voice my own ideas and thoughts on the bill. I think at this time, I will not go over ground that I am on the record for and have good exposure. The one area I would like to address or repeat, and I think it is worth repeating, is the responsibility and the obligation on government to consult as broadly as possible with the stakeholders and with the people affected and involved in initiatives like this. I would go even beyond consultation, whatever that is, Mr. Chairman. From time to time, it seems to take on different meanings or different levels of significance, depending on the issue.

Here is one, especially an area because it is so broad, because it is potentially so expensive and has such a broad impact, where I would argue that inclusion, not just consulting with stakeholders or people directly involved, but including them in the development of answers and ways to get things done, is something that I think would have probably brought us much further along in this process than where we find ourselves today.

When the initiative was first brought forward to us in committee and earlier this year in legislation, other Members and I, as well as people in the general public, really wanted to have a lot more to do at the exploratory stage to put forward options, to bring their own areas of expertise into developing a solution. We urged government to do so, but it really was not something that was delivered on, Mr. Chairman.

I have documentation, for instance, from the NWT Chamber of Mines, which was a very strong proponent of not only getting roads done, but of making sure that everybody had a say in how it could be done. It just does not seem that the government can demonstrate at all that it really did sit down with people in the mining industry. The commercial trucking industry, essentially the same, Mr. Chairman; there were no serious attempts made to consult, let alone include, these various sectors in building this plan.

Some of the proposals that Mr. Steen and Mr. Handley brought forward do help to address concerns that were raised. They indicate to me a willingness on the government's part to go back to the drawing board. I am prepared to do that. In fact, I would urge the government to do that. It has been stated very, very clearly that there is very much a need and an appetite to see and I believe, Mr. Chairman, to pay for some level out of our own pockets and our own businesses.

There is some appetite to help pay for improvement in the road investment strategy, but there is so little confidence in what the impact would be, how long it would go and this kind of thing. It was that lack of confidence, and I would suggest the lack of buy-in and the lack of inclusion in helping to find the solution, that caused this whole initiative to really come to a halt.

If the government is prepared to lay out not only some of these alternatives, but really a sincere, pragmatic and practical way of bringing other sectors and other expertise into designing the solution, I think we are going to stand a much better chance of getting something done that is badly needed, that is not argued, that people want to have confidence in the way we go about it, inviting them to the table at the earliest possible stage to help build a plan. Not just react to something, but help build a plan. I think we could have success. Thank you, Mr. Chairman.

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

MR. ROLAND: Thank you, Mr. Chairman. Just to reiterate what we had stated in going through this process. As chairman of the committee, I had to be very neutral, in a sense, when we were listening to those who would come forward and make presentations. I myself have not had much opportunity, besides one-on-one discussions with other individuals of what I felt about this initiative.

These bills, Mr. Speaker, have definitely generated overwhelming interest in comparison to other bills of this Assembly or previous Assemblies. We have had large turnouts. We have had a lot of submissions made and the talk in the streets, in coffee shops has been a lot about what this government has been trying to do through this initiative. Even when one went to buy groceries, that seemed to be a place that would spark it as well. It is something.

As we have stated and I have heard as well, there is a need to repair our roads. How do we go about doing that? The Minister said he was disappointed that we never went into any specific details. I agree with what Mr. Bell stated, that our initiative at this point was to go out with the legislation as it was presented and get feedback from residents in the Territories. The Territories were very clear at the public hearings of how they felt this initiative would impact them. We went in the report to list those and list them as accurately as they were presented.

I believe that if there is to be another initiative of this nature done, that we have tried to open the doors, in a sense, for government and industry and private sector to come together and work on an initiative. Most clearly, what was presented to us in every hearing we held was that this option should be stopped. It should be cancelled. In fact, one presenter in Norman Wells stated it should hit the shredder and we should start over.

I think that is what we are trying to do here, is to open the door to the possibility of stakeholders and aboriginal groups in communities and this government to work together to come up with something that would be seen to be more effective, in the sense of spreading the load and the burden on this and not increasing the cost of living to the limits that would start increasing the hardships we already face as a government.

For example, in recruiting of nurses and doctors and teachers, of tradesmen now, we hear the large companies say they are having difficulty in recruiting people to work, not only from the Northwest Territories, but from other jurisdictions. As people come North and when they land in a community for the first time, the reality of where they have moved to hits them rather hard when they first go to get their supplies, their first bits of groceries and they see what they have to pay for goods in the Northwest Territories compared to where they had come from if they were in Alberta, Ontario, British Columbia or even the southern parts of this Territory. When they go further north, the costs go up by a lot, huge numbers in some cases.

That is where we have concerns from residents of the Territories listing their concerns as to the amount of analyses that was done, understanding that it was difficult to try to pinpoint what an average family would use on a yearly basis. The government went to three main issues: groceries, home heating oil, and automotive fuel.

However, there are a lot of areas and I will use my experience, Mr. Chairman. I have a large family, a young growing family. The estimates given -- and I am probably one that does not fit into the demographics of 2.5 children. I have five at home. Living in a community that is farther from the border and the costs of goods to be transported are higher to begin with just because of the distance, children do not just survive on shelter and food. There is clothing that needs to be bought and anybody who has young children knows that children can grow fast and you have to replace clothing on a fairly regular basis. They tend to wear them out rather quickly. So it is those areas that I, as well, share with the constituents and their concerns that would come forward.

Initially, Mr. Chairman, there was not a lot of concern from the Beaufort-Delta area about expanding the repair or construction of the Dempster Highway. It was known that the initial amount for the construction and widening was \$2.5 million that was an ongoing commitment that was in the five-year capital plan and remained there. This new money would help accelerate that, but in fact, four years of extra money would not complete the Dempster Highway. We would get a number of kilometres done, but still be short. So there is an area of concern. There was a lot of debate that came out of this and some negative comments of people and interpretations of what was happening. I know it was not taken very well.

For example, in the community of Inuvik when the Minister of Transportation went up to the community and held a public meeting with the town council, an individual presented a petition at that time to the Minister. The Minister's remarks were taken quite negatively by the people who were there when he stated that anybody would sign a petition, that when they went to a grocery store and a petition was presented, anybody would sign it. Then he used the remark that if you give them a petition at the end of the Dempster Highway, everybody would sign. Well, that is fairly accurate, Mr. Chairman. Nobody wants to

see an increase in the cost of goods, so they are going to sign that. That is true to a degree.

However, I think a lot of people on principle feel that initiatives of this nature should not be investigated by a territorial government in light of our the cost of living to residents already.

Mr. Chairman, as well, people driving the Dempster Highway, when they get to the end of it, it is a long section. It is all gravel. They would probably say at the end of it, yes, I would like this road to be widened and fixed and chip sealed or paved, but we know that is not going to happen. Even if this proposal went ahead, the widening would not happen right to the community. We would still have a gravel road for 700 and some kilometres before we would still the first chip seal, that being from Inuvik to Klondike Corner, as we call it. It is over 700 kilometres.

Mr. Chairman, as a committee, we have tried to do our best in hearing from the people and presenting their situation and their concerns to this Assembly. I hope, as we stated, that the government reviews this, that they as well were hearing from their constituents, because many constituents from all over the Territories spoke to this issue. I hope that Cabinet and those that were sponsoring these bills were listening and paying attention to their constituents, that this would be too hard as heard.

Mr. Chairman, those who did speak in favour were very few indeed. I think we have to take that into consideration when we are reviewing bills and proposals put forward by this government. With that, Mr. Chairman, I conclude my remarks and I stand by our committee report and hope that the government is listening to the people. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Roland. Next on my list I have Mr. Lafferty, Ms. Lee and Mr. Nitah. Mr. Lafferty.

MR. LAFFERTY: Thank you, Mr. Chairman. I would like to start off in thanking my colleagues who worked hard on this. I know it was not an easy thing, travelling to communities and staying away from your families for the summer.

I will start off with saying to the Department of Transportation, Finance, the Cabinet, I think they went about the strategies and their plan the wrong way. I think they should have shared it with us before they started going out there and force it down the throats of the public. I would have been happy to assist them in their planning. I am sure others would have been. The public out there would have been. A strategy that they started ten years ago, which may have looked good ten years ago, is not a strategy that everybody agrees with right now. The priorities and the areas, the highways which they identified, did not make sense, where you had to ask the public that do not have any highways to pay for part of the highway so they can go to Yellowknife and the Ingraham Trail, or even to go to the Fort Smith chip seal. There is no industry out there. Why should industry pay for that highway? It does not make sense.

I have talked to industry and industry said if they want to toll the mining companies, then put a toll on Highway No. 3. If they want to toll the oil and gas, put a highway toll on the Liard Highway. Wherever there is industry, toll those roads if you want to identify them.

Transportation has said, "Well, we are going to give back rebates and exemptions and all that." It does not make sense. Why do you want to take from them and a year later give it

back to them? That is a lot of money to take out of one household, over \$500 for the whole year, and make them pay for a year and then give it back to them a year later. That is a lot of money to take out of one household.

The thing I do not understand is why are they saying we have to use the highway toll? Why are they not in Ottawa looking for money? I know the excuse the last few weeks has been because of the September 11th happenings in the United States. I know that is a good excuse, but you cannot just fall on that and say we cannot do anything. We are not going to get anything unless you keep trying. You have to keep trying. It says that in here. You should be going to the federal government and trying to get your money from there. There are programs out there. If you have resources on the Ingraham Trail, then the federal government can pay for part of that. You have proven that by going to Ottawa and getting bridges for the Mackenzie/Sahtu area. You have proven that it can be done. Why are we not looking at that? That was not looked at.

Also, I have a document here from the Akaitcho and the Dogribs in Rae -- one alternative way of building that road and saving the government money. This was not looked at. This was never even brought into proposal. Those are things that we should have looked at. We did not do that.

The other one that I brought up earlier is about unforeseen revenues that we get from the federal government or from the taxes in the Territories. Who should be identifying these kind of projects for that? We knew we were getting it two years ago. We knew we were going to get it last year and we know we are getting it this year. We should have identified some of this money for that. We did not do that. We just keep continuing with the toll and trying to force it down everyone's throat.

By doing this, we are going to ask, because the government is paying for about, I understand, 40 percent of all the goods and services that will be crossing the Territories -- the fuel, housing, all that -- we are going to have to give more money to the communities. We are going to have to give more money to the municipalities. We are going to have to subsidize power a lot more.

If you look at it and you weigh that against the amount of money that will be paid towards a private company in building the roads for us, like the Dogribs and the Akaitcho, then it weighs itself. It is pretty well equal. The increases we are going to have to give to these communities is going to even itself out.

So on one hand, we are going to increase everything. On the other hand, we will make them pay. It does not seem logical that we can do these things. By putting a tax on everything, we are taxing ourselves. We are looking at that old strategy where it says we have to borrow so much money, we have to pay the percentage and all that and then you look at a proposal like this and maybe there could be more out there where they could save us more money. We do not pay money for the next two years. We have a debt wall looming in front of us and we are not even looking at proposals like this. We should be. You are trying to save money for us, save money for the North.

So all in all, I am saying this was not well planned. It was not planned by everyone in the Territories who are involved. We ignored the outlying communities where there are no highways. We have not identified anything in the strategy for them. If we are going to make them pay, we should give them something

back and that is not happening. Like I said, the priorities and the strategies do not work for me. Thank you.

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

MS. LEE: Thank you, Mr. Chairman. Mr. Chairman, I am a member of this committee, so I think that I could just refer to the committee report and findings of the report as an expression of where I stand on this issue. Following on the statements made by the Ministers, I would just like to emphasize a couple of points. The first one is the problem I have with the government's response that we have not provided any options or solutions to this problem. I think what the Minister is trying to say is that we have not suggested a solution that they like, but that does not mean that we did not provide an option, Mr. Chairman.

There seems to be repetition of the same sort of argument that was made when the hotel tax was being introduced. It seems that the approach this government has is if you want more money for tourism, you have to accept the hotel tax. If you want a safe and better road, you have to pay us \$100 million. I think this government has to realize once and for all that this economy just does not have a tax base to cough up \$100 million. The government budget a year is only \$850 million and to expect that the government can somehow collect the money that they need to do something as basic as building roads is out of line. To say that because we do not accept it, that we are not making a productive suggestion, is a little more than agitating, I must say.

I think that we need to realize that 40,000 people cannot be expected to pay the money to build 2,200 kilometres of road or to keep that road maintained at a level that is acceptable. For me, it is a matter of priorities for the government. This government, for the last two years, has had more money coming in every year than ever expected. We really have gone through really good financial times.

I think the government should take a serious look at itself, at how irresponsible they are to spend money when there is extra money coming in on everything, but the roads.

To suggest that only because we are rejecting the proposal to force \$100 million out of these people is to say that we do not care about the roads is really irresponsible as well.

This government has a budget of between \$850 to \$900 million. We are talking about an extra \$15 million to put on the roads. To say that we are going to set up a system by way of a highway toll, that has a number of questions there that have not been addressed. It is really not doing a service to the public.

At the moment, we do not know whether or not we will be penalized by way of formula financing renegotiations. There are a lot of questions about the severe impact that this will have on the manufacturing industry. It is not just a severe impact. It will be a question of whether or not the egg producer in Hay River or the fibreglass manufacturer in Yellowknife would survive. We are looking at a very, very serious implication about what it would mean to our communities.

This sends a very unfriendly message to the resource industry that is investing money here. I think we have to accept that as much as we want to think that we are on the road to economic

prosperity, we should be preparing for it and making the right investment. The fact is, we are not a fully functioning economy. We are not a mature economy. We still get money from the federal government by way of a grant. We have to accept that. We are not able to raise a substantial amount of money by way of raising taxes. That is just a simple fact.

I think I was quoted as saying in one of the committee meetings that maybe if Highway No. 3 becomes so unsafe, we may have to contemplate shutting it down for a time or something like that. I have to correct that. I was not meaning to be irresponsible or reckless, but for me that is an indication of the priority that this government is prepared to put on that highway.

To say that you have asked a hundred questions in the House so you have to vote for this \$100 million revenue source idea is not logical. I think if it happens that Highway No. 3 has to be closed or its speed reduced drastically, or Highway No. 4 has to be closed because it is not safe, or the Dempster Highway or Fort Simpson, the responsibility for that will fall squarely on the shoulders of this Cabinet because somewhere along the way, you have decided how you are going to spend \$850 million. Somewhere along the way, decisions were made that you could only spend \$20 million in transportation for roads and everything else has to go everywhere else. If that is the government's decision, then you have to live by that.

The government has to make priorities and if you cannot find it, then you have to answer to the public. To say that we are free from responsibility because we have suggested an idea that by all accounts is not workable, we are not able to do a system by weight because we do not have weight scales, we cannot do all sorts of things because we do not have the infrastructure to make this tax system or this revenue-raising system as economical and as logical as possible -- this proposal has a lot more problems than the lack of a tax base to collect it from.

Administratively, it is very, very cumbersome. The truck drivers and the truck operators who came and talked to us laid out very clearly what the problem areas are.

Mr. Chairman, I have to say that the statement from the government that we are not suggesting anything productive is totally rejected on my part. I think that responsibility has to fall squarely on the shoulders of the Cabinet to say that, as much as the Cabinet pays lip service to it, road building and road maintaining is for some reason not a priority.

I have no intention to stop asking questions and stop demanding that more money be spent on Highway No. 3. I think it is time for the government to go back and figure out where the priority is and what priority road building is. If the government decides that everything else comes first, then it has to stand up and be counted on that decision. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Ms. Lee. Mr. Nitah, general comments.

MR. NITAH: Mahsi cho, Mr. Chairman. Mr. Chairman, I too am a member of the committee that reviewed the bill and went to the public. I too heard all the comments, the good majority of them being very negative to the proposed bill. The report that has been written is reflective of what we heard in our public hearing process. There is no challenging that.

I feel I am kind of unique in this area because I am one person that supports the plans that the department has for improving the roads. There are many reasons why. Safety is my main concern, and the economic times that we live in. The biggest and most often repeated suggestion in the public hearings has been that we should go to Ottawa en masse and demand that the federal government pay for the roads.

I suggested to the department a couple of areas. That Highway No. 3 be part of the lobby to the federal government to make Highway No. 3 part of the Trans Canada Highway system. In that way, the government would have no choice, but to help improve it. The other area I suggested to the department was to approach Heritage Canada for Highway No. 5 to Fort Smith. The majority of that road is in the park.

Having said that, I, as an individual Member of this House, have been approached by my constituents in the Deninu Ku'e and a number of other communities, by people who do not go to public hearings, who are shy and do not like to go in front of a panel such as the one we had. There is silent support for these proposed bills. People who have lived here all their lives and people who will continue to live here all their lives want to see improvements on the road system.

The argument used by many people outside and inside this House is that we cannot afford it. However, I would argue, Mr. Chairman, that if you pose the question "Do you want to help pay for anything?" 99 percent of the time, the answer would be no. People just do not want to pay. I believe that is just human nature.

We have an unprecedented time. We have employment opportunities throughout the Northwest Territories. Oil and gas is becoming a real viable option to other areas of employment. The diamond mines are continually saying that they cannot fill their aboriginal proportion and the northern hire proportion that was agreed to by the GNWT and the companies through socio-economic agreements. At any time in history and in the foreseeable future, if we are going to make a hard decision to improve our infrastructure in the Northwest Territories, I think the time is now. I think people can pay for the increased cost of living.

One of the problems that we see in the Northwest Territories is that we are always comparing ourselves to the south where they do not have to pay much. Then again, if you look at the average income statistics throughout Canada, the Northwest Territories is one of the highest paid populations in Canada, to offset the high cost of living.

The government has proposed a number of initiatives to bring money back into people's pockets, increase the income support levels to match the increasing cost of living. Some would argue that the September 11th events that happened in New York and what is happening with tourism throughout the world is not a good enough excuse. I would argue otherwise. I would argue that Canadians would want to be secured, to feel security.

We see what is happening in the United States with anthrax. It started on the eastern seaboard. Now it is spreading throughout the west. What is to say Canada will not be targeted in that same manner? If that is the case, then security initiatives by the federal government are going to take priority. We do not know how long this conflict is going to continue.

The President of the United States and all the world leaders, including our own Prime Minister, have indicated that it is going to be a long conflict. There is no foreseeable end to the conflict. As a result, I do not think we can depend on the federal government for funding of this nature. If we are going to improve infrastructure in the Northwest Territories, we are going to have to make some tough decisions. That is what we are here for. That is what we get elected for. If we are going to say no to anything that is going to cost us money, then as a government, we might as well just not develop plans, sit back, tighten our bootstraps and be managers and not leaders.

I did not run for this position to be a manager, Mr. Chairman. I am willing to make the tough decisions to see infrastructure improvement. It is a safety issue. It is an economic issue. Tourism is one area that people continually say is not taken advantage of to its full potential. Yet summer after summer, we hear RV owners saying that I am going as far as the pavement or the chip seal, leaving communities like the community I represent, Deninu Ku'e, not receiving as many tourists as it can receive. My colleague, Mr. Miltenberger, is not seeing the tourism in his community that he could see because of the road infrastructure. Yellowknife, the highway down towards Liard, as we see oil and gas development happening, we expect 70,000 vehicles of trucks for pipe movement. Imagine what that is going to do to our road infrastructure. Without a plan to recoup some of that money from industry, how can we pay for the maintenance of the road, let alone upgrade the road to a level that is acceptable to standards throughout Canada?

It is a tough decision. I have been lobbied from one side to the other, but I still believe that we do not have a better economic time than now to make a decision. There are no guarantees from the federal government. There are no guarantees from anywhere else. I have not heard of another viable plan that might replace this plan, but people argue "Let us take time to develop the plan."

I agree with my colleagues when they talk about their Cabinet and departments developing plans and then try to sell the plans. I think they should come up with a different consultation process, shop around before they buy into it. Unfortunately, the two bills that we took to the public had been developed and then tried to be sold. Those practices should be reviewed and altered so people have a sense of ownership for these plans.

However, until I see an alternative plan that is better than the one that has been proposed, I have no choice, but to support it because I believe there is no better economic time to take the bite. Many people in my riding and many people from different communities across the North say they do not mind paying an extra few dollars on different items because they are a regular user of the road. I spend way too much money on washing my vehicles and maintenance of my vehicles because of the rough conditions of the roads already anyway, so it evens out down the road. There is another side of the argument that has never been heard.

I will continue to support this bill and I would like to see it get to the next level of debate so the public can hear it. The Minister had indicated that there has been some amendments to the bill to address some of the major concerns that were brought to us. I think the public deserves to hear that. With that, Mr. Chairman, I would like to thank you for giving me the opportunity to express my side as a Member. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Nitah. At this time, I would like to welcome the visitors in the gallery. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I too have been involved in this process and have been on the committee, hearing what the public had to say. I believe that what was stated and what was said at those public hearings clearly shows that we have to somehow get a strategy, an initiative that has buy-in from the general public and the residents of the Northwest Territories to ensure that when we formulate expenditures of this government, that we are meeting the needs of the people in ensuring that the resources are spent. Also, not to affect the economy of the North, the cost of living to a point where everyone is being affected by an initiative of this government regardless of which community you live on, on highways or off highways.

The biggest concern I have is the effect that this will have on the cost of living. The cost of living is high in the Northwest Territories and the cost to small business and the cost to operators who try to manage this toll.

My biggest concern is the notion of highway tolls. It is done around the world. The information I have seen and looked at, there are something like 19 of these tolls, either in the United States or Canada. Out of them, 11 of them are bridges. So realistically, there is something like seven or eight initiatives that fall within the context of highways. I think you are talking about the 401, the Coquihalla Highway and other highways in Canada. The way it works in the United States is that you pay a toll after you have the infrastructure built. So you pay for something that has actually been constructed and completed, not pay for something as you go along. There again, it seems like it does not fall within the criteria that is used elsewhere in Canada. That was something that was brought up.

I know the Minister of Finance, in his comments, made a statement that it would be good if we did put some ideas on the table and try to find solutions to our problems. Well, there were some good ideas that came out through the public review process where the public did give us some ideas. Some of the ideas were we already have systems in place so let us just build on them. We have a payroll tax presently in place, one percent. Can we look at an increase there? The other idea is where is all the money going with regard to the fuel tax? People in the Northwest Territories pay fuel tax and the original intent of the fuel tax was to go into maintenance of highways and roads and things like that, yet it is not there. So where is that money going? Is there a way of streamlining those resources to these type of initiatives?

Another alternative was to seriously go to Ottawa, meet with the federal government and say, "You do have an obligation for infrastructure in the Northwest Territories." Realizing that there have been socio-economic agreements signed between ourselves and different governments, why was the consideration not given at that time to look at the social impact and impacts on our highway systems in the Northwest Territories because of these developments? These are some of the ideas that we heard. Why are we, as residents, paying for an impact that is done by somebody else who is receiving a benefit by the resources here, but we do not get the benefit of those resources because they all flow to Ottawa?

So I think there are means of looking at ways of restructuring this bill in a way so that we hear from the general public out

there and the people who run the retail stores, the trucking companies, the people who depend on the movement of goods and services, especially manufacturing. For them to manufacture goods and services, it does not make sense for them to consider importing goods to manufacture exporting goods because the cost of doing that does not make our products competitive. Because of this bill, it impacts a sector of our economy where right now we do not have the ability to compete. We are barely competing at a margin that just makes us competitive. With this idea put in place, it totally eliminates people who want to set up businesses in the North that want to manufacture goods and services.

Another idea that was mentioned, and I think we should seriously consider, is looking at the alternative of spreading what we are trying to accomplish here over a short window of a couple of years and spreading it out over seven or eight years. Instead of trying to do it all in three years, why can we not try to accomplish the same thing in a longer period of time? For me, that makes sense.

The other idea that was raised in the context of how we should do it was from trucking companies and people who make their living running up and down our highway systems, was to put more money into maintenance and upkeep so that people who are working on our highway systems seven days a week, 365 days a year and knowing there is no maintenance happening on weekends, when a lot of traffic does flow up and down our highways.

Some of the ideas we heard from some of the other trucking companies were consideration of reducing speed rates, speed limits and weights that are on our highway systems at certain times of the year where we know the most impact is taking place on our highway systems. So that brings down the cost of maintaining our highway systems, but the impact is greater at certain times of the year.

There are these little things we can do by reducing the speed on our highways and reducing the amount of weight that goes over our highways at certain times of the year. I think these are some of the things that were out there.

I think that is the problem. We are hearing these comments through a public review process that should have taken place before we even got to the state of bringing a bill to this House and then asking the public what they think. It should have gone the other way. We should have gone to the public, had a general review of the whole strategy we have in place for highways, some of the ways we can improve our infrastructure and improve the maintenance cost on our highways and improve the amount of hours we put into maintaining our road systems and also dealing with the little efforts by making certain changes to the way traffic flows in the Northwest Territories. I will mention them again: speed and weight. Those are two things that we have control over.

I think that we also have to look at the realistic concern that most people raise. Why is it that the federal government is getting all these royalties with regard to the diamond industry? The royalties are now flowing to Ottawa, but the impact is here in the North. We have an oil and gas pipeline from Norman Wells that goes South, yet is there any possible way of sitting down with the federal government to renegotiate the formal agreement to make sure we get a big return on our dollar? For every dollar we generate, they take 80 cents. Why is that? Is

there a possibility of us sitting down and going down there, full force with as many people as we can? If it takes lobbying on Capital Hill to get it, let us do it.

I think that is something we have to look at and see if that is something we can consider. For myself, I think that we can still accomplish what we want to achieve, but I think we can do it over a longer period of time.

We seriously, as a government and as Members of this Legislature, have to take the time to do our thorough review of the existing strategies and policies that we have in place to allow for highways such as Mr. Miltenberger's highway, allow them to have chip seal. We have to somehow look at the ideas that we do have to expand our infrastructure system to allow for the communities to be tied into them so they feel that they have a buy-in to this system. When you start charging someone for something that is not even on their system, how do you expect to get buy-in? That is something we have to look at. We should take the time before this goes any further. Realistically, see what was said, see what our options are and then come back to the public and say, "We heard you loud and clear. These are the ideas you had." It should come from them, not from us. We have to take the time to allow for that consultation to take place and for ourselves to take the time this time and do it right. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Mr. Krutko. Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. I am informed that I am the next speaker and I have four minutes. That is good. I do not have much to say and I talk fast, I am told.

On this highway toll, I think there is merit in the philosophy of what is trying to be accomplished. I think the Ministers have come forward today with good responses to some of the input that was heard in the public. I think what they are saying is there is room for movement on some of the things that might mitigate some of the impact on consumers, on people on fixed incomes, people on income support and other specific groups such as manufacturers. There are ways to address these things, but to do nothing is to see the construction and rehabilitation of our highway infrastructure put on hold. I do not think that is a position that shows much leadership.

I think we are facing new and different fiscal issues on a national level than we were and I think that there are pros and cons about this. I think when you do go out for community consultation, no one is going to stand up in any community in the Northwest Territories and say, "Yes, we would like a tax." But a tax is a principle, whether you are talking about municipal taxation in exchange for services, whether you are talking about this kind of taxation in exchange for improved infrastructure, which gives the travelling public and the carriers safer roads, roads that are easier on their equipment.

I think it is necessary for us as leaders to take a look at this. I am encouraged by the comments of the Ministers today on this, whether it is issues of administration, issues of impact. I think what they have done is shown a willingness to address some of these things. I know feedback from my community now on a constituency basis has been mixed. There are people who are in the road construction business who think it would be a great asset to the local economy if they could get some of these contracts and start working on some of these things.

I think that probably Hay River is the least impacted community of any community in the North. Probably, in an interesting way, it makes Hay River, more than ever, a viable place to live and to do business, given its proximity to other transportation options, including the highway.

So I want to see this discussion continue. I do not think there is resistance to the public input that has been received. I would hate to see us not take the opportunity to address this further. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Thank you, Mrs. Groenewegen. I recognize the clock and I will report progress.

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

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. LAFFERTY: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Committee Report 814(4) and would like to report progress. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER: Thank you, Mr. Lafferty. Do we have a seconder for the motion? The honourable Member for Thebacha seconds the motion. The motion is in order. To the motion. Question has been called. All those in favour? Thank you. All those opposed? Thank you. The motion is carried. 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, a meeting of Caucus at adjournment today, followed by a meeting of the Standing Committee on Accountability and Oversight.

Orders of the day for Monday, November 5, 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
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 8, An Act to Amend the Motor Vehicles Act
 - Bill 9, Commercial Vehicle Trip Permit Act
 - Bill 10, Public Highway Improvement Fund Act
 - Bill 12, An Act to Amend the Wildlife Act
 - Bill 14, Supplementary Appropriation Act, No. 2, 2001-2002
 - TD 42-14(4), Report of the Independent Commission on MLA Compensation
 - TD 51-14(4), Investing in Roads for People and the Economy: A Highway Strategy for the Northwest Territories
 - CR 7-14(4), Report on Modernizing our Electoral System: the Report of the Chief Electoral Officer on the Election of the 14th Legislative Assembly of the Northwest Territories, 1999
 - CR 8-14(4), Public Review of Bill 9, Commercial Vehicle Trip Permit Act and Bill 10, Public Highway Improvement Fund Act
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Monday, November 5, 2001 at 1:30 p.m.

-- ADJOURNMENT

The House adjourned at 2:00 p.m.