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## RESOURCES AND THE ENVIRONMENT

*will share  
from April Summary  
- what will  
actually be presented*

### THE NATIONAL CHALLENGES

- 1) to manage Canada's resources for maximum benefit.
- 2) to pursue a pattern of development in harmony with enhanced environmental quality.

### THE NORTHERN CHALLENGES

- 1) To ensure renewable resource harvesting **at least** maintains its share of the Gross Territorial **Product (GDP)**.
- 2) To stabilize and encourage the development of the NWT'S non-renewable resources.
- 3) To maintain a healthy environment.

### SHOULD THE PRIMARY SECTOR CONTINUE TO BE EMPHASIZED FOR ITS EXPORT POTENTIAL

#### A) Renewable Resources

The territorial economy is extremely dependent upon export markets. The overwhelming majority of territorial residents continue to derive their livelihoods from either traditional hunting and trapping activities or from the extraction of non-renewable resources: oil, gas and minerals.

Relative to mining and the oil and gas sectors, the total value of the renewable resource sector, chiefly tourism and traditional harvesting, is **small**. However, because trapping and wildlife harvesting involve a large number of territorial residents, either full or part-time? it contributes far more to the welfare of territorial residents than the dollar value in sales might indicate. Activities within this sector include hunting, fishing, trapping, inter-settlement trade in country foods, arts and crafts, forestry and processing for cash income. The following observations may be made about the current status of renewable resource harvesting within the **N.W.T.**

#### (i) Value and Trends in Fur Production

The value of fur production has decreased since 1978/79. Depressed markets and consequent lower activity levels contributed to this decline.

doem't answer question "should the primary sector continue to be supported"

(ii) Renewable Resource Harvesting as a Food Source

The returns from trapping are small in comparison to the value of food obtained by hunting. The Keewatin Personal Income Data report estimated the value of country foods to be \$7,000 per household in 1981/82.

(iii) Trends in Fur Income and Its Relationship to Other Earned Income

The average fur income in ten communities examined by the **GNWT's** Task Force on Economic Options was less than \$1000/year; the majority of trappers (77%) had an average fur income of under \$1,000 per year.

In all ten communities studied, fur income tended to be a small percentage of total earned income, ranging from almost 0% in Baker Lake to 20% in **Holman** Island. Dene communities tended to exhibit a greater consistency than **Inuit** communities; fur income averaged 8% of other earned income in Dene communities, while in **Inuit** communities it averaged 6%.

It is also interesting to note that communities with a larger dependence on fur income generally had lower average incomes. For example, the average fur income (potential male **labour** force) in Baker Lake was only \$20 while other earned income averaged \$11,700. By contrast, the community of **Holman** Island, with the highest trapping income (\$1,320) had the lowest earned income from other sources (\$6,900).

reflection of what they hunt - nature of community - does it prove anything

(iv) Social Assistance in Relation to Other Incomes

In 1981/82, average social assistance paid in Dene communities was \$584 per trapper. In **Inuit** communities the average was slightly in excess of \$400. is this ok?

how does this relate to hunting?

(v) Mobility

Where studies have been conducted they have indicated a majority of the native population are willing to migrate to secure employment (source: Joint Needs Assessment Committee's survey of native residents).

too many disjointed statements/facts that don't prove much

(vi) Aspirations of Young People

Based on a sample conducted by the Department of Education in three communities, evidence indicates that career aspirations of young native students does not differ widely from those of southern Canada.

(vii) Participation in Trapping

**Increasing numbers of young people will be entering the labour force with expectations for suitable employment.**

*How does this relate to*

B) Non-Renewable Resource Development

As stated in "Challenges and Choices", it is clear that the mining industry is facing stiff competition from developing countries. Even so, mining remains the territorial economy's chief export; in the late 1970's mining account for over 80% of all exports, up from 74% in 1966.

*although decline exists in some mines others are doing well.*

Recently, however, there has been a dramatic decline in mineral exploration activity. Low metal prices have reduced the cash flow of mining companies and have discouraged companies from investing in the development of new sites. The number of claims recorded and the area claimed have also dropped significantly. Although mining will continue to be an important NWT export, it is also evident the level of exploration will decline, causing associated service industries to suffer as long as metal prices remain low.

Canada is the leader in the exploration for hydrocarbon in the arctic offshore. Since the early 1970's the Canadian oil and gas industry has drilled more than 23 wells from 21 artificial islands and more than 15 wells from drillships in the Beaufort and Davis Strait. A large part of this activity in the NWT is a result of the NEP, specifically PIP incentives. Of the \$2.9 billion in PIP grants handed out to the end of 1983, 41% have gone to the Beaufort. From 1981 to 1982 exploration activities fell 28% in the province to \$1.9 billion from \$2.7 billion, but on the frontier Canada lands they increased by 40% to \$1.63 billion from \$1.16 billion. Beaufort expenditures were responsible for \$570 million of this spending in 1981 and \$773 million in 1982. PIP paid for 43% of the 1981 Beaufort costs and 65% of the much larger 1982 figure.

However, not all federal initiatives are so supportive of oil and gas development in the North. There are a number of administration factors which adversely influence mineral

one window?

investment. First of all, although the federal government's regulation of the non-renewable resource industry is designed to serve northern as well as Canadian interests, the programs are administered from Ottawa or other locations remote from the North. The second major problem is duplication of effort; aside from the **GNWT**, there are five federal departments with legislation responsibility in the NWT. There is no clear mandate to any of the major actors (**DIAND, EMR, DFO, DOE,**) to co-ordinate their policy or programs. And finally, the other major problem is the time and money required to get approval for a specific investment. In the absence of any federal policy direction on mineral development in the NWT, the committee investigations and regulatory processes involved prior to obtaining approval have grown out of proportion.

GNWT Positions

- 1) Continued development of the non-renewable resources of the Northwest Territories with a priority given to projects with the highest potential for northern employment or minimum environmental damage.
- 2) Consolidation of federal/territorial constraints (regulations) on renewable and non-renewable resource harvesting. *call it regulations*
- 3) Increased emphasis on the domestic (primarily **NWT**) consumption of wildlife harvested in the NWT. Restrictions on the sale of country food in southern Canada should also be relaxed. *sect A*

c) Transportation and Resource Development

To the extent that it exists, the transportation system in the Northwest Territories has resulted from initiatives taken by a number of private and public interests. The resulting network includes a railroad to Pine Point carrying out ore with no systematic means or rate structure to use excess capacity on back haul linkages, a number of private roads to producing mines, two marine resupply systems (one for the eastern Arctic and one for the western Arctic) and airports located in **most** northern communities. Considering the extreme distances alone, it is easy to understand why transportation costs are the major contributors to the north/south cost differentials. A more rational system would make use of excess capacity and introduce technological innovations to increase overall efficiency.

On the other hand, high transportation costs act **as** an implicit tariff barrier, protecting northern businesses from **southern competition.** So it could be expected that the nature of **services provided** by the northern business community would **change considerably if** the efficiency of the transportation system were dramatically increased.

*Establish tariff barrier*

*Seems disjointed - no clear overall direction coordinating all sections*

GNWT Positions

- 1) The GNWT supports the development of an integrated transportation system encompassing all modes should be developed. Such a system should put increased emphasis upon increasing the productivity of existing capital; i.e. making superior use of the current rail system.
- 2) For environmental and economic reasons, the GNWT supports a pipeline over marine transport for hydrocarbons.

D) In-Migration

A profile of the NWT population illustrates that approximately 60% of the population is of native descent, with most of the non-native population residing in the major urban centres of Yellowknife, Inuvik, Hay River and Fort Smith. This gives rise to the classic metropolis/hinterland dichotomy in terms of economic development. With a small population of 40,000 people, the balance between natives and non-natives could change radically in the event that a number of the major non-renewable resource projects were to proceed. It is ironic that although unemployment in many of the remote communities is high, most of the skilled labour force would have to be imported, at least in the short term. The choice that must be made is between a gradual expansion of the primary resource sector which is primarily labour intensive and a major industrial expansion including secondary processing which must rely on imported labour.

*Does not exist to great a degree until 1984.*

*Summary of NWT In-Migration 1984-1985*

GNWT Positions

- 1) Although the short term, specialized nature of most construction jobs will demand a highly trained and mobile labour force, there is significant room for increasing the participation of northerners in the wage economy.
- 2) If new communities are required to service a particular resource development, the primary responsibility for community development and operations should rest with the developer.

SELF SUFFICIENCY

The issue of self sufficiency in the North with regard to resources encompasses a renewable and non-renewable component, as well as a regional versus national perspective.



*Approved  
by the  
Government  
of the Northwest  
Territories*

First of all, the Government of the Northwest Territories has taken a position that where economically feasible, hydrocarbons should be processed in the North at levels sufficient to satisfy local requirements. From a Canadian perspective, the NWT's best interests lie with little or no conditions being attached to mineral exports. Two major NWT mines, Nanisivik and Polaris, load their partially refined ore directly on ships for export to European markets. The lack of transportation infrastructure in the North will probably dictate similar arrangements for most new operating mines.

The second aspect of self sufficiency concerns the inter-settlement trade (in country foods) In the past, localized or seasonal shortages of country foods in certain areas has resulted in shortages while other areas of the NWT were enjoying surpluses. Increased emphasis on the trade of country foods between communities has increased cash incomes as well as ensuring higher quality traditional foods are more readily available at a reasonable price.

*subject*

GNWT Positions

- 1) Where economically feasible consideration should be given to localized, small scale, hydrocarbon processing to meet isolated community requirements.
- 2) Exports of minerals from Canada should not be unduly restricted, especially if short-term surpluses exist.
- 3) Restrictions on the sale of country food across provincial/territorial boundaries should be relaxed so as to increase the cash incomes of harvesters.
- 4) The Government of Canada should place increased emphasis on "back-haul" rates so as to facilitate the distribution of country foods at a reasonable cost.

*Why just  
country foods*

EXPLOITATION OR STEWARDSHIP

"Conservationists have been critical of the management of forest resources, for example. The question was, and still is, do we cut with an eye to the long-term future and invest accordingly in sustaining the resource."

This issue of stewardship or exploitation assumes an added dimension within the NWT, that is whether to exploit the resources for domestic use or to employ them for enhancing dollar incomes. The growth of commercial hunts under the management of native corporations and private agencies represents a new opportunity for local hunters and trappers to generate additional cash income

instead of harvesting the resource themselves. For example, last year Polar Hunts, a commercial hunt managed by the **Holman** Island Hunters and Trappers' Association, generated approximately **\$150,000** in revenues, two thirds of which remained in the community.

#### GNWT Positions

- 1) It is the responsibility of the government and people of the NWT to convince the general Canadian public that Northerners are responsible managers of the **NWT natural resources**. Management of these resources (**forestry, agriculture, etc.**) should be transferred as soon as possible to the **GNWT**. *is already GNWT resp*
- 2) Surface ownership, excluding private holdings and those claimed under land claims should be transferred to the **GNWT**.
- 3) Government taxation policy should recognize the higher cost of harvesting in the NWT.
- 4) To expand the range of opportunities and to assist in the diversification of existing resource harvesting activities, the government is examining a number of new initiatives including shrimp, cod and herring fisheries as well as fur farming.

#### SHARING THE REVENUES

"There is a balance to be struck between rents going to the private sector and revenues collected by government.. ."

Substantial uncertainty as to world market conditions, future taxes and regulations may prevent major developments from taking place." In the NWT, this division of revenues is further complicated by the addition of native land claims.

An ancillary dimension concerns the cost of living in northern Canada and the federal government's continuing reluctance to recognize the real cost of living differences within the Income Tax Act.

#### GNWT Position

- 1) It is understandable that the federal government should have reservations about resource revenues accruing to the territorial government; the potential royalty income, when development occurs, is enormous while there are only 48,000 people living in the NWT. The federal government may fear development will create a new class of oil rich Canadians

However, sharing some of the royalties with the GNWT is a way to ensure peoples of the NWT receive a net benefit from development. It is therefore recommended that inshore royalty income be granted to the GNWT and that offshore resource income be shared in some equitable manner consistent with agreements already negotiated with the maritime provinces.

- 2) Income Tax Act should recognize the significantly higher cost of living and/or acquiring inputs in northern Canada.
- 3) There should be a reduction or removal of government levies on petroleum products consumed in the North. The current dilemma of high energy prices, cold seasons and a heavy reliance on oil products (i.e. often the only **fuel** source available) combine to make "energy" a major cost factor for individuals, businesses and industry.

## PRODUCTIVITY

### THE CANADIAN CHALLENGE

- 1) To achieve technological excellence in areas essential to maintaining Canada's competitive position in world and domestic markets and to minimize the above consequences of technological change.
- 2) To foster a climate of **labour** management relations conducive to innovation, adaption and sustained real growth, and to an equitable distribution of wealth.
- 3) To improve management and foster entrepreneurial activity throughout the Canadian economy, in order to create new employment opportunities and broaden the range of Canadian goods and services that are competitive in both domestic and export markets.

### THE NORTHERN CHALLENGE

- 1) In addition to meeting the Canadian challenges, the NWT **will** have to place even greater emphasis on research and development in order to properly access advances in infrastructure and systems technology that may be suitable to northern climatic conditions and skill levels of the northern **labour** force.

### ENCOURAGING TECHNOLOGICAL ADVANCEMENT

The North has a number of unique needs and presents an excellent testing ground for new and/or improved technology, especially insofar as it affects transportation, communication and the cost of living. There is a lot of potential, especially considering the government's overwhelming dominance of the energy and accommodation markets to pioneer new manufacturing, design and construction techniques through the satisfaction of government requirements.

#### GNWT Positions

- 1) The federal government should promote increased research and development into addressing the unique needs of northern Canada through appropriate fiscal measures and the development of northern research centres.
- 2) The federal government should be more creative in its attitude towards satisfying its requirements for goods and services. For example, new types of housing being developed internationally offer significant opportunity for vastly improving the quality and cost of northern housing. Canadian manufacturers, at least in western Canada, have been slow to adapt innovative new techniques for the northern market.

- 3) Programs should be developed which facilitate the participation of employees in technological change and productivity improvement.
- 4) Research and development should include renewable resource sector as well; for example, the development of resource management techniques, improved information on resource potential, analysis of untapped resources and investigation of new processing techniques.

### **DIFFUSION OF NEW TECHNOLOGY**

"Challenges and Choices" states that Canada has been slow to accept new technology; an example is given of the slow diffusion of computers across Canada.

#### **GNWT Positions**

- 1) With the advent of satellite communications, information about new products and their uses quickly travels around the world. However, the government can play an important role in the adaptation process by being actively involved in adapting new technology, either generally or on a pilot basis.
- 2) One impediment to the diffusion of technology is **labour** mobility; workers trained in new technology can assure a faster diffusion of technology throughout the economy without any prerequisite training which may not be available in Canada. However, these skilled workers may have to be imported.

### **THE RIGHT TO ORGANIZE**

Although the **GNWT** has no control over **labour** relations, it is concerned that the present administration of this function is too remote from the NWT. Two issues are of particular concern. The first concern is the powers of southern trade unions to dominate the hiring practices of northern non-renewable resource contractors. A second concern stems from the degree of monopoly exercised by public corporations in the NWT (i.e. **NCPC, NTCL, PWA, etc.**) . If such agency goes on strike, the North (or large parts of it) may become isolated from suppliers in southern Canada or may lose an essential service.

#### **GNWT Positions**

- 1) The right to strike in essential services within the NWT should be severely limited if the supplier is in a monopolistic position (i.e. P.W.A.) .
- 2) Essential public utilities should not be allowed the right to strike.

- 3) Labour relations legislation should be transferred to the GNWT so as to facilitate enhanced accountability between trade unions and northern residents. Although the people of the North realize that **labour** mobility is necessary (and, in fact desired) due to the limited range of local skills, it expects some consideration be given to the local hiring of skilled trades people.

### **GOVERNMENT INTERVENTION**

In "Challenges and Choices" the question is asked if government intervention in the **labour** market should be limited to simply providing information on available employees and job openings. The same section also raises the issue of whether "the necessary programs (are) in place to ensure that native people, women, and the youth - and particularly the heads of single-parent families - are not denied equal opportunities to participate in the work force."

In the North, affirmative action programs take on a new significance. The range of employment opportunities is limited, especially outside the public sector and every opportunity must be made to ensure consideration is given to long term (and especially native) residents: for example, the government accounts for over 50% of all wage and salaries paid in the NWT and yet the bureaucracy has a significant underrepresentation of native residents. Without access to public sector employment opportunities native people must largely limit their employment horizons to the primary sector.

### **GNWT Positions**

- 1) The government's role should be redefined and limited to support activities (information) or to those legislative activities required to ensure equal opportunities in employment.
- 2) Day care facilities must be provided for working **mothers**, especially single-parent families, so as to facilitate their entry into the **labour** market.
- 3) Innovations such as a shorter work week, job sharing and job rotation should be utilized to redistribute existing **jobs**, especially where limited employment opportunities exist.
- 4) Affirmative action in employment and education is required to provide equal opportunity to native residents.

### **ENTREPRENEURSHIP AND INDUSTRIAL INNOVATION**

Competition in the market place is "one of the better **forms** of protection for Canadian consumers stems from competition between entrepreneurs". "This implies a need to foster risk taking to

facilitate entrepreneurship in terms of reducing the burden of regulation and ensure that sufficient capital is available to undertake new ventures and enable those ventures to survive and grow."

In the North, regulation takes on a different aspect. Some industries, normally tightly regulated in southern Canada, such as power utilities are not subject to any regional regulation.

Industry and many small businessmen, on the other hand, are often subject to more regulation than would be the case in southern Canada. For example, in their submission to the Senate Special Committee on the Northern Pipeline, Esso listed 32 federal acts and 22 sets of regulations that affect its northern operation. Their complaint to the committee was that the lack of co-ordination and policy direction regarding industry approval and regulation in Canada Lands costs them considerable **money** without really affecting an efficient answer to the problems present within the NWT.

Regulation has often been both a benefit and problem to small businessmen in the North; this is particularly true **of** the trucking and airline industries. Small independent air carriers servicing local markets often lack the expertise or resources to make successful applications or interventions before such technical boards as the Canadian Transport Commission.

#### GNWT Positions

- 1) With regard to the availability of capital, the government's position is that banks must become more responsive to the northern economy. Policy and procedures for northern banks is currently dictated from southern Canada and is based upon conditions existent in that area. Consequently if a recession **is** in effect in Alberta, the tightening of bank credit will also limit credit availability in the North even though economic expansion may be taking place.
- 2) The federal government's primary concern within the approval process for resource development should be the overall economic contribution of the project to Canada, while the GNWT (or its equivalent replacement) should focus on the **socio-economic** benefits to the North as well as environmental issues.
- 3) The GNWT should resume "provincial-like" responsibilities especially with regard to the regulation of public utilities.
- 4) Regulation of the small business community (i.e. local airlines) should assume a less structured and rigid approach.

## ENTREPRENEURSHIP AND RISK TAKING

As stated in "Challenges and Choices":

"Should governments foster entrepreneurship through more favorable tax treatment of capital gains and venture capital investments.. Could access to financial resources in remote areas.. .be further improved."

### GNWT Position

- 1) The **GNWT** would prefer to see a more equitable treatment of small business. Possible changes might include:
  - (a) Simplifying the corporate tax system so as to reduce the time and cost of preparation. In many small and isolated northern centres, expertise is not available to assist entrepreneurs in fulfilling this function.
  - (b) As is the case in most provinces, the federal income tax rate should differentiate between large and small business.



## **TRADE AND INDUSTRIAL DEVELOPMENT**

### **THE NATIONAL CHALLENGES**

- 1) To establish a long term trade strategy and the complementary policies to maximize its benefits to Canada.
- 2) To ensure maximum benefit for Canadians from Canada's economic potential through industrial development based on the strength of Canada's regions.

### **THE NORTHERN CHALLENGES**

- 1) To overcome the shortage in technical skills and technology which currently limits opportunities for expanding and diversifying the northern economy.
- 2) To increase trade on an intra and inter-territorial basis.

### **A SHIFT IN TRADE ORIENTATION TOWARD BILATERAL ARRANGEMENTS TO PROMOTE FREER TRADE EITHER ON A SECTORAL OR GENERAL BASIS**

Like most of western Canada the NWT relies heavily on trade. Almost everything produced in the NWT is exported. Likewise the majority of goods consumed in the NWT are shipped in from southern Canada. Some international trade links have developed within the export sector (two producing mines currently ship directly to Europe) and some very small direct international trade has occurred in native crafts, consumer goods and food products (i.e. Greenland shrimp is imported into **Frobisher Bay** while caribou antlers are exported directly to California and Hongkong).

The realization that many trade links would be better established on an east-west rather than a north-south basis is a growing reality within the NWT. For example, the following resolution was recently passed at the Inuit **Circumpolar** Conference:

'Therefore be it resolved that the delegates assembled at this Third **Inuit Circumpolar** Conference in **Frobisher Bay** call upon the governments of Canada, the United States and Denmark to cooperate with the **Inuit Circumpolar** Conference to promote the east-west interchange across the Arctic homeland and to facilitate the exchange of skilled and experienced persons and the elimination of barriers to trade.'

From a Canadian perspective the elimination of trade barriers would benefit the NWT. Almost all the capital requirements of business, industry and government are regionally imported, either **from** southern Canada or elsewhere. The elimination of tariff and other trade barriers would enhance the availability of those inputs, reduce the overall cost of investment and generally lead to enhanced economic activity. An additional benefit would be a general reduction in the cost of consumer goods, many more of which are considered almost essential items within the NWT than in the rest of Canada (a video recorder may be treated more of a necessity if only one television station exists in your area).

#### GNWT Positions

- 1) Trade barriers between Greenland and the United States should be selectively phased out, either unilaterally or through negotiated agreement.
- 2) Consideration should be given to reducing mobility constraints between our immediate neighbors; for example, Greenland and Alaska. This could be done on a general basis or limited to native peoples.

#### REGIONAL DEVELOPMENT

"Challenges and Choices" asks the question of whether:

There is a better mix of policies, serving both equity and efficiency, which would imply support for regional comparative advantages while at the same time providing adjustment assistance to enable less developed regions to play a more dynamic role."

The NWT'S productive economic base is largely limited to renewable and non-renewable resource development and incomes earned in these sectors determine the general well being of the economy. Both of these sectors have been recently beset by hard times.

**Low** mineral prices have reduced the cash flow of mining companies and have generally reduced the attractiveness of new investment. The same situation is generally true of hydrocarbon activity as well. **The** number of claims recorded and area claimed have dropped dramatically from record high levels in 1981. The possibility of higher interest rates will probably have further negative impacts on industry investment.

Although the hydrocarbon industry will probably develop the Beaufort Sea area prior to the year 2000, prospects for larger scale development are certainly dimmer than they were during the early 1980's.

"Beaufort prospects and Dome's credibility suffered a major blow in February when Japan's minister of international trade and industry, **Hikosaburo Okonogi**, said that the Japanese - who had lent Dome and its affiliate, Dome Canada Ltd. , \$400 million for Beaufort exploration - would provide no **more** funds. **Okonogi's** voice was **added** to the growing list of those questioning both the Beaufort's potential and Ottawa's continuing commitment to pour billions of tax dollars into exploration there." (Canadian Business, April 1984)

Nor does the future appear bright for many renewable resource products. As mentioned in the first section, incomes earned from hunting and trapping have decreased markedly over the previous year due to primarily strong pressure from anti-fur activities. In dollar terms the value of last year's harvest decreased from \$5 million to under \$4 million and number of trappers fell by approximately 20%.

**Forestry** is currently a small scale industry in the western Arctic valued in 1982 at \$2 million, but there is significant potential to expand especially in the southwestern NWT. **There "is some** commercial fishing in the Great Slave Lake area and the eastern Arctic and it appears there is some potential to expand the market for these products.

Of all the renewable resource based industries, tourism offers the greatest potential for expansion. Last year fifty lodges operated throughout the NWT and provided services to approximately 7000 visitors. The lodges provide seasonal employment for approximately 300 Canadians.

#### GNWT Positions

- 1) Increased emphasis needs to be placed upon the promotion of guiding and similar renewable resource harvesting activities through the application of capital grants and appropriate fiscal support measures (i.e. accelerated capital cost allowances) .
- 2) There has to be a reduction in the complexity of requirements facing the small businesses; this primarily includes regulatory requirements (especially for small airlines) and income tax procedures. In many northern communities, there is no expertise for the small businessmen to rely upon for assistance in dealing with a distant bureaucracy. Often businesses in the NWT are forced into bankruptcy simply because they failed to meet all their regulatory requirements.

- repetitive - of transportation

- 3) Immediate investment opportunities exist in the area of public infrastructure expansion and small scale (community level) energy development. Initiating such projects would create employment and provide job experience and skill development for the rapidly expanding northern **labour** force at the community level. Small energy projects would serve to reduce dependency on oil while infrastructure expansion would provide an impetus to future economic growth in the North. Although the **N.E.P.** called for energy demonstration projects throughout the North, little progress has been made.
- 4) There is a need to develop an effective transportation network and to improve other basic infrastructure. This would provide easy, relatively inexpensive access to and from sources of economic activity as well as fostering the development of more **inter-** and **intra-** NWT trade.
- 5) Another requirement is to support an aggressive approach to developing markets and market strategies for NWT products; to facilitate directly or indirectly the marketing of NWT product; and to conduct a public relations campaign for unique NWT products.
- 6) Increased emphasis needs to be placed on the development and use of advanced communication systems. This would reduce the distance factor facilitating increased **intra** NWT trade and information flows.

#### FOREIGN INVESTMENT AND OWNERSHIP

"Challenges and Choices" describes the choice within this section as follows:

"The inflow of foreign capital may bring technologies, more jobs and better products for Canadians but it may bring disadvantages as well, including preference for importing **techology** rather than developing it in Canada."

"Should capital inflows be regulated."

This problem is of immediate concern to the government, not only from a national perspective but from a regional one as well. For example, a number of NWT lodges are owned and operated by residents of the United States or southern Canada, and although these facilities still provide employment for local residents their presence does limit the opportunities available for local people to enter the industry.

### GNWT Position

- 1) The **GNWT** has taken the position that the tourism industry should reflect a significant degree of northern ownership. To effect this end, the government has limited **licences** for the expansion of non-NWT 'owned existing lodges and has not allowed the establishment of new southern owned facilities.

### COMPETITIVE POLICIES

The question remains as to whether there is an alternative institutional arrangement that would put the "**case** for competition" in a more compelling fashion before federal and provincial, regulatory and marketing boards.

Within the NWT crown corporations and their immunity to **GNWT** controls is also becoming an important issue. **NCPC**, a federal crown corporation and the major supplier of electrical power 'North of 60th parallel", continually refuses to comply with the **GNWT's** Public Utilities Board, eventhough the **NWT's** two private suppliers of electricity have done so for years.

### GNWT Positions

- 1) Where reasonable, crown corporations should **be** required to account through a public forum to the people they serve.
- 2) Restrictions on the **mobility** of capital and **labour** such as those resulting from a lack of information, government policy or uncertainty should be reduced.
- 3) Regulatory agencies, such as the **CTC**, should be more considerate of local concerns and realities. In some cases, further deregulation of the industry may be the most effective solution.
- 4) A long term economic strategy is required for the North. Government in the past has not provided a clear message to potential northern investors what its intentions are with respect to the North. This has added a significant element or risk to most major developments resulting in lower levels of activity and higher required industry rates of return. Greater authority should be placed with the **GNWT** to ensure that development occurs within regionally acceptable bounds.

## JOBS AND COSTS

### THE CHALLENGE

- 1) To provide **meaningful** employment for those willing and able to work.
- 2) To create and sustain a stable cost and price environment.

### DIRECT' GOVERNMENT INTERVENTION IN RESTRAINING WAGES AND PRICES AND IN CREATING AND DISTRIBUTING WORK

The economic power of some groups and the limited range of job opportunities within the NWT combine to make it difficult to achieve reasonable price stability as well as full employment. One way for the government to create additional employment is to spread existing work over a larger portion of **labour** force through worker rotation, job sharing, early retirement and other means.

Although both levels of government have encouraged industry to adapt more flexible working schedules, the public sector itself has shown little innovation. Neither level of government has developed a work sharing or rotation mechanism for enhancing the range of employment opportunities.

### GNWT Position

- 1) The public sector as well as industry should investigate the possibility of a shorter work week, work rotation or job sharing systems which are more conducive to enhanced aboriginal wage employment.
- 2) The federal and territorial bureaucracy should become more representative of the Territories' ethnic distribution.

### MEASURES TO IMPROVE THE OPERATION OF MARKETS FOR GOODS AND SERVICES AS WELL AS FOR LABOUR

"Some of the current difficulty in achieving lower unemployment is due to various rigidities in **labour** and product markets. Some Canadians have argued that the minimum wage limits affect employment prospects, especially for youth and those without work experience."

In the Northwest Territories the market is subject to other rigidities, some simply arising out of the distance and cost of travel **and/or** communications. Other rigidities arise from a basic communications barrier; many residents of the **m** still communicate primarily in a native language.

Another major market rigidity arises from the **GNWT's** lack of control over **labour** relations. For example, during the recent Norman Wells pipeline project little attempt was made by southern trade unions to recruit experienced staff from within the NWT; as a result many northern workers lost an opportunity **to** participate simply because the appropriate union hiring, hall was located in southern Canada.

#### GNWT Positions

- 1) The GNWT believes that minimum standards are required to protect workers.
- 2) Some effort needs to be devoted towards reducing - on a one time basis - the small businessmen's initial investment in employee training. This is particularly important in the North where many residents only have a limited range of employment and training opportunities.
- 3) Although significant attention has been paid to work rotation and similar schemes within the mineral sector, little attention has been paid to improving the flow of **labour** market information or to providing mobility incentives. In growth centres mobility is further hampered by a general lack of multiple **or** single accommodation.

#### **TO REDUCE NORTHERN LIVING COSTS THROUGH SELECTIVE FISCAL MEASURES**

The North is prone to two types of inflation. The first results from general increases in the national **price level and since** prices in the NWT are higher than elsewhere in the country to begin with, a general increase in prices nationwide tends to widen the absolute price differential between north and south.

The second type of inflation characteristic of the North is situational. When major economic activities occur over an area inadequately served by transportation and communications facilities short run supply bottlenecks tend to push local price levels up quickly causing regional inflation. The North is somewhat unique in Canada insofar as the government's presence can be used selectively to ease some of these pressures.

#### GNWT Position

- 1) The Income Tax Act should not ignore higher prices in the North. Adjusting income tax exposure to account for northern costs would increase real disposable income **and** reduce the upward pressure on wages and prices.

- 2) Both levels of government should consider reducing levies on petroleum products consumed in the North. The current dilemma of high energy prices and heavy reliance on petroleum products combines to make energy a major cost in the North, affecting everything from home heating costs, local grocery store prices through to airline fares. **Lower** resulting costs and higher profits as well as greater disposable incomes will improve industrial competitiveness, reduce income requirements and increase the return on investment to business.



## EDUCATION AND TRAINING

### THE CANADIAN CHALLENGES

- 1) To improve the ability of Canadians to adapt to economic, social and other circumstances through high quality basic education.
- 2) To increase the capacity for systematic re-education in order to incorporate new knowledge into the basic education of Canadians on an ongoing basis.
- 3) To provide timely opportunities for retraining in order to enable working Canadians to adapt to changes resulting from technical innovation and competition.

### THE NORTHERN CHALLENGE

- 1) In addition to the three challenges facing all of Canada, the North has a fairly unique challenge of developing an education and training program supportive of the traditional values of its native residents.

### TECHNOLOGY

"Technology offers the education system an opportunity to establish knowledge networks to make educational materials available to all Canadians." (Challenges and Choices)

The advancement of technology within the education and communications fields has enormous potential for expanding the access to and range of post-secondary courses within the NWT. Students may be able to participate in technical school or university while either remaining in their own community or pursuing a career in some other NWT settlement.

#### GNWT Position

- 1) The GNWT supports the advancement of communications and education technology which will facilitate localized education.

### UPGRADING SKILLS

During the period since 1969, the dilemma facing northern education has been the sometimes conflicting demand that education

prepare people to live in a rapidly changing northern society and at the same time help preserve native language, culture, lifestyle and values.

Despite several **innovations**, concern continued to be expressed after 1969 that education was still not developing in a way which was appropriate to the diverse needs of northern residents. Many educational problems faced by people of the Northwest Territories, and particularly with the natives, have been identified and include: high drop-out rates, poor comprehension, poor parent\teacher relationship, low recruitment of native teachers, lack of proper high school facilities, and lack of continuing and special education facilities. As a **result** a **Special Committee on Education** was established to examine the education system **and** to make recommendations for change. The report of the Special Committee on Education recommended the Department of Education turn over responsibility for the administration of education to divisional boards composed of several educational districts with common concerns and interests. The report also recommended that greater emphasis be placed upon native languages, special education, basic adult education, teacher preparation and orientation and that the government proceed to develop a **multi-campus** college system to better prepare residents for employment in business, the public service and industry.

#### GNWT Position

The Government of the Northwest Territories supports the **recommendations** made by the Special Committee on Education and will proceed to implement its accommodations where economically feasible.

#### EDUCATION AND EQUALITY OF OPPORTUNITY

"Education can also foster the enhancement of equal opportunities."

"The education system is of central importance in changing basic attitudes toward groups that have suffered or are suffering from discrimination." (Challenges and Choices)

In the NWT many native communities contain few people who are part of the wage economy. Native northerners are by and large poorly equipped to enter into employment since most lack adequate formal or vocational training.

### GNWT Position

- 1) The **GNWT** is in the process of developing an affirmative action program which will extend hiring and training preferences to northern residents. Although the government has been somewhat successful in hiring native residents (approximately 40% of the present 'bureaucracy is native), most are in either lower paying positions, few are in middle management.

### RESPONDING TO PRESSURES FOR ADJUSTMENT

"Challenges and Choices" poses the question **of** whether the primary responsibility for adjusting to changes in the economy should rest with individuals, government or industry.

### GNWT Position

The government's challenge in the north, where so many residents lack the necessary training and skills to benefit from development, will be to ensure resident employment and income opportunities. In an effort to increase local employment and business opportunities, the government has increased its funding for apprenticeship programs and has made additional training **money** available to local businesses. Employment opportunities resulting from resource development will not only occur within industry but within the service and public sector as well, and it is here that the government plans to make a significant commitment.

## SOCIAL SUPPORT

### THE NATIONAL CHALLENGE

To establish a new consensus on the role and purposes of policies and spending for social security and the balance to be drawn between economic efficiency and social equity.

### THE NORTHERN CHALLENGE

In addition to the above, social support services should be designed so as to support northern culture and lifestyles.

### MAINTAINING ADEQUATE INCOMES

"In Canada, we have a series of targeted programs, especially for persons over 65, for families and for those temporarily or permanently out of work. Expenditures by governments for these programs in 1980 were close to ten per cent of the Gross National Product."

"A negative income tax scheme might be fairer, more easily administered, encourage self reliance and better accommodate new needs. Which programs would such a system replace (NWTHC subsidies, social assistance, trappers and fishermen's incentive payments, etc.)? Would it reduce the costs of administration of social support programs?" (Challenges and Choices)

### GNWT Position

- 1) The NWT economy has been traditionally subject to large fluctuations in economic activity. It is the government's position that a negative income tax system will be seriously analyzed so as to ascertain whether it can reduce the administration cost and enhance the flexibility of program delivery. If the traditional economy is further eroded and if wage employment is not available a guaranteed annual income may be the only solution.

## ENCOURAGING SELF RELIANCE

Many northern communities are almost totally reliant on direct or indirect government assistance (housing, cooperative, energy, financial services, personal income, etc.). The effect of this intervention has been the creation of an artificial economy which in the short run may contribute towards the inefficient use of resources and in the long run may diminish prospects for the fiscal self-sufficiency of northern governments.

### GNWT Positions

- 1) Many of the current problems of dependency resulted directly from the government's policy of settling people into defined communities ostensibly for the purposes of providing a **more** efficient system of health, education and social services. Since this "settlement program" reduced immediate access to natural resources, the individual may now have little choice, given present technology and the cost of getting to resources, but to remain economically dependent upon transfer payments. It is the government's responsibility to ensure its residents have a minimum standard of living.
- 2) **The** fostering of entrepreneurial activities, tourism and the creation of community development corporations may result in a **greater** sense of control and responsibility at the local level.

## IMPROVING THE DELIVERY OF SERVICES

Government delivery of social service programs ensures all residents will be treated fairly and equitably. However, delivery by government is also impersonal and residents tend to lose a sense of responsibility, the criteria simply becomes to "get more".

### GNWT Position

- 1) More effort needs to be devoted towards encouraging co-production in the delivery of social services; in other words, encouraging people to help themselves. One successful example of a 'co-product ion" initiative by the GNWT is the NWT Housing Corporation's Home Ownership Assistance Program (HAP). Under HAP needy residents are encouraged to construct their own house rather than to simply take over a low income government house.

## FISCAL LIMITS

"Expenditures. .in the fields of health, social welfare and **education** increased from 12.4 per cent to 20.9 per cent of our (Canada's) Gross Domestic product in the period 1960 to 1981." (Challenges and Choices")

Although exact expenditure breakdowns are not developed for the **GNWT**, it is obvious social programs are significant part of the total budget. Excluding administration, 30% of the **GNWT's** budget is spent on social, education and health programs; with an estimated **GNP** of 794 million, these expenditures would account for 19% of the gross product. Direct transfer payments to individuals, excluding housing, energy and other indirect benefits alone are 10% of earned income (**NWT** Economic model)

### GNWT Position

If the **NWT's** economy remains in a steady state or continues to grow, the percentage of total government expenditures spent on social programs should remain constant or decrease.

## INTERGOVERNMENTAL RELATIONS AND THE ECONOMIC UNION

### THE CANADIAN CHALLENGE

- 1) to strengthen Canada's economic union as a basis for increasing economic opportunities throughout Canada and for securing the domestic basis for international competitiveness.
- 2) More harmonious relations among governments.

### THE NORTHERN CHALLENGE

- 1) To live within the Canadian challenge while satisfying the unique aspirations and needs of northerners.

### THE FUTURE OF THE NORTH

"Challenges and Choices" asks Canadians if the Northwest Territories should assume equal status to the provinces. If that is to take place, "when should it take place". "Should provincial status be based on population or the capacity of northerners to finance a greater portion than now of the services provincial governments provide in the south."

Residents of the present Northwest Territories desire political evolution towards provincehood in a manner consistent with the history of Canada. It is reasonable to assume that such status will be achieved by the year 2000.

There is also a consensus in the **N.W.T.** that this vast region could be better governed if it is divided into two jurisdictions, Nunavut in the Eastern Arctic and a yet-to-be named Western Arctic Territory. The Legislative Assembly and representative native organizations formed a Constitutional Alliance in 1982 with two independent branches, the Nunavut Constitutional Forum and the Western Constitutional Forum. It is the task of the Alliance to seek an equitable division of the existing N.W.T. and to develop proposals for the forms of government each new territory will assume.

### GNWT Position

- 1) Full participation in Canadian political economic life requires provincial status. It is a fundamental democratic right of Canadians to be governed by bodies which are

accountable to them. Relatively small populations and economies in early stages of development are not sufficient justification for continued colonial rule.

- 2) The movement toward full political rights and responsibilities is independent of whether economic development occurs in the NWT. The **GNWT** does not believe that economic development is a necessary condition which must be satisfied before full political maturity can be achieved. This point is dramatically illustrated in the international sphere where a number of countries are successfully managing their political affairs with little economic development and without the hope of economic development that the NWT currently enjoys. There may, of course, be some connection between the development of full political maturity and economic development, in that the peoples of the **NWT** will learn from participating in the process of economic development.
- 3) The **devolution** of "province-like" responsibilities should continue; federal government responsibilities including the **prosecutorial** function, **labour** relations, forestry management and certain aspects of fisheries should be transferred to the **GNWT** as soon as possible.

Further, a number of federal acts (e.g. Canadian Oil and Gas Lands Administration Act (C-48), Inland Waters Act, etc) restrain the GNWT in exercising its current authorities. And finally, the evolution towards a truly responsible government will not be complete **until** northern governments retain full ownership of lands and resources.

- 4) The GNWT believes there is no longer any need for **DIAND** to act as a buffer between the GNWT and other federal departments or agencies.

Increasingly GNWT departments are dealing directly with their federal counterparts. It is appropriate for the GNWT to deal directly with the federal government as it assumes more responsibility and for **DIAND's** role to be limited to the provision of services to native people of Canada.



## THE ROLE OF LOCAL GOVERNMENTS

In a territory comprised largely of settlements remote from each other and the various administrative centres, local governments assume great importance. However, because of the lack of entrenched status for municipalities, the federal, provincial and territorial governments frequently attempt to meet local problems by using their superior "spending powers" without adequate consultation and in ways that may distort local priorities. This situation is especially prevalent when resource development occurs in the vicinity of a community.

One problem is that municipalities lack access to the forms of taxation needed to provide sufficient revenues to keep up with inflation and other shifts in economic conditions.

The development of aboriginal self government in northern Canada also poses unique challenges in communities where band and non-band members reside. There is a critical need, especially within the NWT, for the development and establishment of community government which respect and enhance the political rights of aboriginal residents while affording full opportunity for non-aboriginal residents to participate in the government institutions and process at the community level.

### GNWT Positions

- 1) Increased consultation is necessary and required between all levels of government.
- 2) Consideration should be given to increasing local government independence through increased reliance on formula funding schemes.
- 3) Municipalities should have the option of utilizing other forms of taxation to increase and stabilize their revenue base; property taxation takes on a new meaning in the North wherein some communities less than 5% of the voting population may be rate payers.

## CLAIMS OF THE ABORIGINAL PEOPLE

"The federal and provincial governments have under review . . . constitutional matters directly affecting the aboriginal peoples of Canada, including the right of self government." (Challenges and Choices)

Aboriginal self determination is being pursued on several levels, through the national constitutional process, through land claims, and in the NWT through the participation of native organizations in the Constitutional Alliance.

In the NWT, in **contrast** to much of southern Canada, no reserve system has been created (with the single exception of Hay River) and current political development work, being conducted by agencies such as the Constitutional Alliance and relevant federal and territorial departments, is attempting to create systems whereby elements of aboriginal and public governments may be institutionalized within a single system. Thus, it is hoped that native and non-native citizens may live as neighbors and friends, conducting public government together yet recognizing the need for governmental institutions, particularly with respect to native lands, culture and language, which would be the subject of aboriginal jurisdiction.

Differences in the ethnic characteristics of the eastern and western NWT have led to different approaches to the problem of aboriginal rights within each region. Unlike the western NWT which is struggling with the problem of developing equitable proposals for the government of three, and possibly four, main population groups, Dene, Metis, **Inuvialuit** and non-native, the eastern NWT has not concerned itself to date with guaranteed aboriginal representation, preferring to put its faith in the electoral majority it is expected **Inuit** would enjoy in the earlier years, at least, of **Nunavut**.

#### GNWT Positions

- 1) The COPE Agreement, now in its final form and due to be put before Parliament, is one of the three comprehensive claims in the NWT. The **Dene/Metis** and the **Inuit** are continuing to negotiate their claims with the federal government. Inasmuch as claims settlements provide the native groups with a parcel of defined and enforceable property and other rights they constitute an important element in any strategy for self-determination.
- 2) The administration of justice is another crucial aspect of aboriginal self-determination. Both forums in the Constitutional Alliance are attempting, and work has begun, to design functional systems for the administration of justice in the new territories that would be in conformity with accepted principles of Canadian jurisprudence while also accommodating aboriginal values and customs.
- 3) There is a critical need for the development and establishment of forms of community government which respect and enhance the political rights of aboriginal residents while affording full opportunity for non-aboriginal residents to participate in the government institutions and process at the community level.
- 4) Forms of local government in communities with predominantly aboriginal populations should be flexible and responsive to the needs and preferences of aboriginal residents.

- 5) In all communities funding should be made available to the recognized community governments in all communities on an equal basis with no distinction between band government and community forms of government.

#### **THE ENTRENCHMENT OF MOBILITY RIGHTS**

"Artificial impediments to freer trade among Canadians have grown while physical barriers have diminished... They include regulations, procurement preferences, crown agencies and corporations ."

The North is a unique area and there is a widely held if **controversial** view among northerners that it would be reasonable for their governments to impose longer than normal residency requirements for voting. This view stems from a concern that transient residents could have the power to frustrate the political will of the permanent majority. It is also noteworthy that advocates of the proposed Nunavut Territory propose the establishment of a Bill of Rights to protect minorities.

Pressure to develop fiscal preferences for northern business has also been strong. The GNWT now has in place a purchasing preference of 10% for goods and services provided by businesses with sales outlets in the NWT. This type of initiative was felt necessary for three reasons. First of all, the North is a developing area which periodically experiences shortages of goods due to break-up and freeze-up; if more businesses were encouraged to expand or move into the North, it is probable more material would be kept in inventory and available during these periods.

The second reason for adopting a northern purchasing preference was to increase competition within the NWT. The average consumer does not often have the resources and capability to order from southern suppliers but he can certainly benefit from a growing number of local firms supplying the **GNWT's** needs.

And finally, since the government had been encouraging developers to apply a 10% preference to local purchases, it felt morally and politically obliged to adopt a similar policy.

In other cases **the GNWT** has been disadvantaged by restraint on trade. For example, **CRTC** regulation of regional carrier **routes** has probably reduced the number of access routes to southern Canada; the Egg Marketing Board's quota on production excludes any NWT participation; and, **CRTC** regulations had severely restricted the use of private satellite disks.

### GNWT Positions

- 1) Northern preference should be retained as long as it does not exclude southern competition and will result in an expansion of general business activity within the NWT.
- 2) Voting residency requirements should take into consideration the aspirations of long-time northerners.

### FIRST MINISTERS' CONFERENCE ON THE ECONOMY

"Would such conferences, if held on a yearly basis, allow for better co-ordination of federal and provincial policies? Should such conferences be held in public?"

### GNWT Position

The Government of the Northwest Territories strongly supports the institutionalization of an annual conference of First Ministers on the economy. In an increasingly complex and difficult international economic climate Canada can ill afford to be divided unto itself, thereby weakening its position world-wide.

In supporting the concept of Conferences of First Ministers on the economy however, it is recognized that the participants must approach the exercise as willing participants rather than adversaries. **For** such conferences to be successful, therefore, thorough preparation and prior consultation is all important. This can be achieved if the conferences have clearly defined goals (preferably achievable) rather than being general in nature. In addition, the chairmanship of such conferences should be rotational in order to reflect the very nature of Confederation, and all Ministers should be regarded as **equal**, in the spirit of Confederation.

Finally, and perhaps most importantly, even though the Northwest Territories does not yet enjoy provincial status it is strongly felt that the NWT Leader of the Elected Executive should be given status equal to that of his provincial counterparts. There are two reasons for supporting this development. First of all, the elected leader of the government represents the residents of the NWT who occupy approximately one third of Canada's land mass. And secondly, only in the Northwest Territories do the aboriginal people of Canada form the majority. **This** holds true both for the population and for the Members of the Legislative **Assembly**. Everywhere else in Canada the aboriginal people are a significant minority.

## NATIONAL AND REGIONAL INSTITUTIONS

### THE CANADIAN CHALLENGE

- 1) to reform national institutions so as to strengthen their capacity to reflect and reconcile Canada's diverse cultural, linguistic, economic, social and regional interests.
- 2) To develop more effective means to control the growth of government and render it more open to public scrutiny and accountability for results, good and bad.

### THE NORTHERN CHALLENGE

- 1) To assist in the achievement of Canada's challenge while at the same time attempting to develop a form(s) of government in the North which is responsive to all residents and reflective of the NWT's unique cultural heritage.

### INCREASED REPRESENTATION OF NATIVE PEOPLE IN THE PUBLIC SERVICE

Currently only 28% of the public service is of native ancestry and most of these are in non-professional positions. Employment statistics indicate that native people who are not fluent in English have very little chance securing employment with the GNWT and almost no chance of securing a position with the Government of Canada. The 1981 Census Statistics indicated that approximately 58% of the total native population speak an indigenous language at home and almost 25% do not speak English at all.

#### GNWT Position

- 1) It is a priority of the GNWT to increase the employment of native people in the public service to a level more comparable to the population's ethnic distribution.

### GOVERNMENT AS A COMMUNICATOR

There is a real need for more effective communication in the delivery of services offered by government. Since most native residents of the North who do not speak English are generally in most need of public services (the aged and poorly educated), provisions of services in English only denies them equal access.

A communication problem is particularly evident in the court system where an inability to provide translation and interpreting services is essentially a denial of the rights of native people to a fair hearing. The denial of these rights, guaranteed by the Canadian Charter, is a source of grave concern to the judiciary and those working with the legal system.

The retention of native languages and thus the need to communicate varies substantially within each of the **NWT's** regions. The Dene and **Inuvialuit** of the western NWT have experienced dramatic declines in the use of native languages over just one or two generations. Communities like Fort Rae in the Fort Smith Region, where the indigenous language is predominant, are uncommon in the western NWT. However, in the eastern NWT this trend is **reversed**. For example, in the Keewatin region 94% of those with a native mother tongue speak **Inuktitut** at home.

#### GNWT Position

To increase communication in native language, the government will:

- (i) increase the percentage of native residents within the public service;
- (ii) provide translation services upon demand;
- (iii) distribute materials in the seven major native languages; and
- (iv) give priority to the provision of multilingual services to the aged, infirm and those involved with the law.

#### REGIONAL AND TRIBAL REPRESENTATION

The Northwest Territories is a diverse area. Although the GNWT represents only 40,000 people, these are spread out over an area covering 1/3 of Canada. Within this small population there are also profound differences in language (current seven native languages, French and English are recognized), culture and regional interests.

#### GNWT Position

GNWT has introduced the concept of regional governments. This type of institution was not meant to be a fourth level of government superimposed on the existing governmental structure, rather it is meant to allow municipal governments to delegate some of their power in order to consolidate and take advantage of common interests and to achieve economies of scale. It is an appropriate change for both the Eastern Arctic, where a

number of communities share a common set of values and problems, and the Western Arctic, where a number of communities may have formed Tribal Band Councils. This change will not only make it easier for regions within the NWT to represent their concerns about economic development but will also facilitate the process of goal formation and conflict Resolution between **territorial** and local governments.

### **ELECTORAL SYSTEM REFORM**

A reform of the electoral system might allow legislators to better reflect the various elements and the various regions which make up Canadian society. Currently the Northwest Territories, even though it physically represents one third of Canada, is allocated only two seats in Parliament.

#### **GNWT Position**

The GNWT believes that physical size and other unique characteristics such as ethnic make-up should be taken in to consideration when allocating seats within the Parliament of Canada.

### **PARTY DISCIPLINE**

The reduction of the constraint of party disciplines might allow legislatures to both reflect the various elements and the various regions which make up Canadian society.

#### **Recommendations**

British parliamentarians do not appear to be nearly as constrained by party whips as their Canadian counterparts. Likewise, American Congressmen appear to enjoy access to greater resources than our own representatives. Canada should examine these and other systems for fresh ideas on how to make our democracy more responsive to all regions.

### **LEGISLATIVE REFORM**

As governments have become more complex they have also tended to become less accountable to elected representatives; a substantial amount of decision-making power has been transferred to the bureaucracy.

#### **GNWT Positions**

- 1) Parliament should be provided with more resources for committee work and the creation of independent task forces.

- 2) Guidelines for the application of "Confidential", "Restricted" and "Secret" **should** be reviewed. In the case of inter-governmental materials, a standard classification procedure should be negotiated.

### SENATE REFORM

Canadians made many recommendations on the Senate ranging from outright abolition to highly complex reforms. Proposals for reform covered three topics: representation, manner of selection and powers.

#### GNWT Positions

- 1) The Government of the Northwest Territories agreed with several aspects of the Report of the Special Joint Committee on Senate Reform. Of special significance was the Committee's recognition and emphasis of the concept that the Senate should "represent the sometimes diverse interests of the people of Canada's provinces and territories in federal legislation and federal policies". As well, the suggestion of a suspensive veto and the proposed nine-year term of senators closely paralleled the suggestions put forward to the Committee by the Government Leader of the GNWT during the Committee's hearings in Yellowknife.
- 2) The Northwest Territories represents one third of our land mass, yet at present is allocated only two members of parliament and one senate seat. Under the proposed reallocation formula, the Northwest Territories would be allotted four seats. Given the immensity of Northwest Territories, the interests of northerners will still be underrepresented insofar as it will still have only one third of the number of seats allocated to all provinces save Prince Edward Island and only one sixth of those of **Quebec and Ontario**.
- 3) Substantial reform of the Senate will involve amendments to the Canadian Constitution and will therefore require extensive inter-governmental negotiations. Notwithstanding that the Territories have not been given a voice in the amending formula, any discussions on this important topic should involve representatives of the two territorial governments. If the territories are to be an effective participant in the economic and **political** union of this country, they must be afforded the opportunity to contribute the decision-making process. Without the ability to make such contributions at the highest political level, the needs of northerners will not be adequately addressed.



## **REGIONAL REPRESENTATION**

Crown corporations and regulatory boards take on a greater significance in the NWT than in the rest of Canada. Most crown corporations within the NWT are federal and therefore not subject to territorial government control. **Some** prominent examples include **NorthwesTel, NCPC, NTCL, Petro Canada, etc.**

### **GNWT Position**

The Government of the Northwest Territories has lobbied with the Government of Canada for NWT representation on a number of major crown utilities operating within the NWT such as **NorthwesTel.**

## **REPRESENTATION OF OTHER SPECIAL GROUPS**

"Most discussions on improving the representative capacity of institutions focus on regional and linguistic matters. However, we also heard a number of claims that groups defined in terms of other than regional should be better represented in national institutions."

### **GNWT Position**

The Government of the Northwest Territories supports effective participation of aboriginal peoples in Canadian Parliament and is on record as advocating guaranteed representation for aboriginal peoples in both the Senate and the House of Commons. The Constitution grants special recognition to the aboriginal peoples of Canada and their aboriginal rights. But the structure of the present political institutions effectively denies original inhabitants of this country any meaningful say in the political process. The Senate in particular should provide for a certain number of seats to be filled by aboriginal people. -Consideration should be given to the concept of double majority on matters which concern the aboriginal peoples in a manner similar to the system proposed for linguistic legislation. It is the view of the **GNWT** that any decisions regarding aboriginal representation should **be** made in consultation with national aboriginal leaders as part of the ongoing talks at the First Ministers' level.

## **DIRECT PARTICIPATION FOR CITIZENS**

"Among the possibilities here are use of referenda in a number of policy areas".

GNWT Positions

- 1) All levels of government should establish improved means for consultation with the public they represent. Perhaps regional groupings may prove more practical than individual community consultations.
- 2) Direct participation by citizens should be encouraged with respect to decisions of basic public importance. Consideration should be given to development and use of electronic media for voting purposes in referenda.