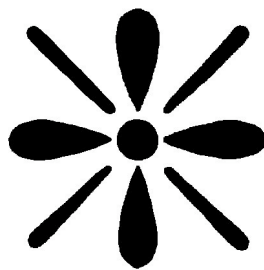


Alternatives North **Submission**

to the GNWT Consultation Process

**Charting the Next Course:
Developing An Economic Roadmap
for the Northwest Territories
November 2006**



Submitted
15 December 2006

Commentary on Assumptions and Preamble:

Alternatives North continues to have reservations about the vision statement utilized by the NWT Legislative Assembly for its planning purposes:

Self-reliant individuals and families sharing the rewards and responsibilities of healthy communities and a prosperous and unified Northwest Territories.

This statement seems to place the concept of sharing and caring for others at a low priority. Alternatives North continues to believe that most northerners would prefer the principle of mutual aid - a sense of a community caring for its members - as the foundation of public policy. It is only within a wider social justice framework that it is appropriate to talk about “self-reliance.”

In the same section of the discussion document, four bullets lay out the Government’s Strategic Plan to achieve a diversified economy.

- *A traditional economy capable of creating and maintaining a good living and healthy lifestyle for those Northerners who choose to participate in it.*
- *Renewable resource, small business and tourism ventures that are viable and sustainable in every community.*
- *A balanced approach to the economic development of all sectors that is sustainable over the long term.*
- *Northerners being the primary beneficiaries of the development of our resources.*

Alternatives North is not convinced that these pillars are either internally consistent or realistic. Nor are there any concrete suggestions or actions to achieve these objectives.

1. The importance and potential of the “mixed economy” is not acknowledged in the Plan. As important and desirable as the traditional economy may be, fewer and fewer northerners are earning a living from it exclusively. Instead, many are moving in and out of wage employment, using the cash earned in that sector to support traditional pursuits. Supports aimed at preserving and promoting a traditional economy do not necessarily address the special needs of an individual trying to succeed in the mixed economy.
2. Non-renewable resource extraction sectors of the economy are, by definition, unsustainable. Because of this, governments must ensure that benefits to the economy and people of the north from such developments are maximized. Economic rents from these operations must be put into a heritage fund(s), a large portion of the capital of which must be maintained in perpetuity for the benefit of future generations. The investment of the earnings from these funds must go to beneficial human and capital infrastructure projects. We need to examine how a multi-sectoral management board could be established to ensure fund earnings are used appropriately, rather than for short-term political or private gain.
3. National and international evidence makes it clear that the “resource curse” is a major problem that confounds efforts to achieve a balanced and diversified economy. When large-scale resource extraction industries are imposed on an un- or underdeveloped economy such as that in the Northwest Territories, the

frequent result is a boom and bust economy and underdevelopment of non-resource sectors. Non-resource sectors simply cannot compete with the resource industries for labour, materials or supplies. Because of the inevitability of this occurring in the NWT, governments must take effective ameliorating action as outlined throughout this submission.

Responses to Questions

What other challenges do you see ahead for our economy?

The biggest challenge we face is that our largest economic projects will have come and gone before we are ready for them, and without our capturing adequate economic rent from them for the people of the NWT. For example, the best diamonds are already long gone from Ekati and our government has not realized significant revenue from the project.

Similarly, the Mackenzie Gas Project will be too big for us to handle; it will overwhelm our society and “happen to us” instead of us controlling the scale and pace of development.

Counting so heavily on non-renewable resources to be the engine of our economy, and the answer to all our problems, is plainly unwise. The Background and Roadmap documents both make clear that reliance on this sector leaves us very vulnerable to world market and external conditions. We will be left to the tender mercies of huge transnational corporations whose first obligation is to their shareholders, and who will (threaten to) close up shop and leave our lands (in whatever shape they can get away with) as soon as it is in their interests to do so. The needs of our people and communities will have no place or consideration in such a development process – if we don’t set tough preconditions on the developments.

Finally, large resource extraction projects are harmful to the long-term health and viability of the land and environment. Constant vigilance, strict regulation, and aggressive efforts towards mitigation and effective recovery operations, should reduce the worst of these effects, but harm will come. Whether the damages are from day-to-day operations, or through significant contributions to climate change, dealing with environmental damage costs money. These costs have too rarely been borne by the developers. Rather, it has been the public purse that most often pays the price. Considering the negative effects of global warming that we are seeing in the Arctic it is illogical, even foolhardy, for us to be so actively pursuing a course that will make matters worse. It will again be the public who pays, taking funds away from other needed services. Non-renewable resource development must fit within ecological thresholds that allow for a self-sustaining and healthy environment if future generations are to have the same opportunities, options and choices that we enjoy today.

If we could paint a picture of the economy we want twenty years from now, what would it look like?

Alternatives North believes the present economic model has failed too many northerners. Reliance on the market and a single-minded focus on wealth creation based on (often publicly supported or subsidized) private entrepreneurship have created winners but also far too many losers. Disadvantaged groups of northerners cannot compete in the marketplace on an equal footing. Aboriginal peoples, women, disabled persons, youths, single parents, and others are left out. Reliance on “equal opportunity” misses the mark. Our efforts should be aimed at creating greater equality of condition, not just opportunity. This will require both targeted economic development and a strong social safety net.

We need to look at doing things differently. We need an economy that takes into account 21st century realities: global warming and climate change, resource depletion, environmental degradation, growing opposition to globalization and free trade, collapsing transportation and utility systems, and population pressures, all of which mean we have to do things differently if we are to really meet the needs of all northerners. Alternatives North proposes an economy for the Northwest Territories that includes and ensures:

- That the physical needs of all citizens are met through a combination of universal public programs and a guaranteed annual income sufficient to ensure that essential services available through market mechanisms are truly accessible to all;
- Locally owned and operated enterprise;
- Community owned and operated enterprises through means of either co-operative ownership or local “crown corporations” owned by community, regional or First Nation governments;
- The fostering of co-operative approaches to businesses;
- Economic activity that provides fair economic return for public and Aboriginal governments;
- Non-renewable resources that are used to transition to a more sustainable economy through the use of a permanent (heritage) fund. The permanent fund will have well-established criteria for investing and drawing down, and will foster economic diversification, particularly at the community and regional levels. Non-renewable projects will only be permitted to access permanent fund assistance if they build links to other segments of the economy that ensure measurable benefits survive the specific project;
- The negotiation and provision of well thought-out public and non-profit training programs that provide workers with a variety of skills and have an ongoing focus on literacy and numeracy;
- The development of a variety of small scale sources of energy – hydro, wind, geothermal and other alternatives - that greatly limit or remove our dependence on diesel; and,

- That a concerted effort is made to not just support renewable resource based activities but to build such sectors through efforts such as harvester support programs, cultural-based tourism, import substitution, and related initiatives.

Regular public reporting of progress and investment on economic diversification and building a sustainable economy must occur. This would involve use of genuine progress indicators rather than the traditional measures of economic growth (like GDP) that include spending on social dysfunction and other “negatives” as though beneficial.

What principles should guide our economic vision?

The economy should be based on the following principles:

- A safe and healthy population as the primary goal and purpose for economic activity
- Environmental protection and sustainability with identified ecological thresholds to guide the scale and pace of development
- Import substitution and local production for local consumption
- Effective regulatory measures that protect the health and safety of the public
- Fair and progressive taxes based on both ability to pay and fair return to the public for use of its resources
- Openness and transparency in reporting and in public policy development

What will regional and community economies look like?

Alternatives North rejects the premise that local economic development must occur “without ongoing government support.” (Charting the Next Course, p. 7) Forceful and direct public involvement in the economy - augmenting the private - has been the engine of the strongest economies around the world and throughout history. Evidence of this fact abounds. The people of the NWT must not continue to have their hands tied behind their backs by wrong-headed and ideologically driven economic policies that will only result in perpetual under-development. The Northwest Territories needs to have implemented a formal, fully debated economic strategy that is under democratic control and designed to meet the needs of northerners. Without a strong public role in the economy, economic activity will maximize the bottom line of large international corporations, who will be gone themselves as soon as the resources are gone. It’s time to end the idea that the people of the NWT and our lands and resources are “inputs” to be used and discarded by corporations whose sole motivation is shareholder return. The interests of the ordinary people of the NWT are just as important as the interests of far off shareholders, more so even, we are not ashamed to say.

We need to ensure that the benefits of non-renewable resource development are distributed more evenly. The diamond mines are an obvious example; nearby communities have benefited from them to some degree but other NWT regions have not.

Fair economic rent, strategic reinvestment, and terms and conditions that build all regional economies are required.

Should some types of economic development or industries be encouraged or discouraged?

Most of the following ideas are either self-explanatory or more fully developed elsewhere in this submission. They are listed here again for ease of reference:

- Need a better balance of renewable and non-renewable – right now we are too focused on non-renewable mega-projects.
- Should encourage economic development that plugs the leaks of our economy (food production, lumber production, secondary industries, for instance).
- Should encourage activities that foster northern ownership and northern employment.
- Should explore becoming leaders in cold weather research and technology.
- Should encourage projects that explore alternate energy technology and reduce our reliance on expensive, imported fossil fuels.

Further large-scale non-renewable resource development will continue to distort our economy and result in a less diversified, less resilient economy. Although there are still significant and difficult imbalances, our work force is close to, if not already, fully employed. Each new project brings us closer to surpassing ecological thresholds for key valued ecosystem components such as woodland and barren ground caribou. Alternatives North recommends a macro-economic strategy that changes our course, not one that digs the “hole” ever deeper.

What will regional and community economies look like?

Much community economic activity will probably always have some link to a land based economy and this is proper and logical. We should encourage more home based or cottage type industries. The scale of economic activities should be better matched to the size and capacity of our communities. With planning we could parcel out aspects of economic activity and have particular communities focus on different aspects. We can use technology to overcome some of the barriers created by the size of communities. We must recognize that it is okay, indeed desirable, if some community economic activity continues to require public support.

Demographically we are already moving toward regionalized centres and this is not likely to change. We should encourage each regional centre to specialize in activities for which they have maximal competitive advantage, for example, fishing and fish processing where fish are abundant; forestry and secondary spin-offs such as lumbering and furniture making near forests; etc.

Should we try to manage the pace of growth?

Absolutely. Growth cannot be continuous and our goal should be to make sure that the economy is going at the pace that allows us to take best and fullest advantage of what is happening. If all our large projects happen at the same time, we will not be able to take full advantage. We need to think of the resources as also belonging to our children, indeed to all future generations. What gives us the right to use them all up and leave no legacy? As mentioned employment levels are rising. As a result, our ability to benefit from projects providing employment for northerners is growing more limited. The current value we derive from projects increases greatly if northerners are the ones who are doing the work.

The NWT is the fastest growing economy in Canada. Why are we continuing to talk as if investors are going to go away? This is particularly true for commodities like natural gas. The national and worldwide reserves of this energy source are decreasing and what we have in the NWT can only become ever more valuable as time goes by. The important thing, again, is to make sure we benefit long term from economic activities, especially in the non-renewable sectors.

Rather than let global corporations threaten us with “capital flight,” we need to plan alternative, effective economic strategies (if for no other reason than to put us in a stronger bargaining position when we negotiate socio-economic and access and benefits agreements). International corporations are large bureaucracies that hire personnel with the necessary expertise to run their operations. We should be able to do the same. Crown corporations created to develop resources are clearly feasible, as shown by their pervasiveness around the world, including in the energy sector. Capital to fund them can be borrowed or raised on the open market (possibly through the sale of bonds if we want to maintain close control). Northerners would be much better off if government started to investigate opportunities along these lines, rather than to simply throw our hands in the air and give up. Transnational corporations hold all the cards *only because we let them*.

It is also vital that we control the pace and scale of development in the interest of protecting the environment. This is particularly true as woodland and barren ground caribou populations are at risk of declining to the point of no return. To ensure that future generations have the same opportunities and options we enjoy, we must only allow development within clearly defined thresholds.

What do we need to do to make sure Northerners are ready for the challenges of a growing economy?

Employment, training and education measures that protect the viability of the mixed economy of the smaller communities are required. The intervention to the Joint Review Panel recently prepared by Dr. Frances Abele on behalf of Alternatives North discusses

this idea. We recommend a close examination of her analysis and endorse her recommendations.

Publicly supported programs and territorial legislation must accommodate the mixed economy. It is better to subsidize traditional pursuits and foster the traditional life style among those who want to live it than to pay a similar amount for social assistance and still lose the valued way of life. It is hard to believe that there are still no comprehensive and effective harvester support programs in the NWT supported by the territorial government. Employment standards and income security (and unemployment insurance and pensions legislation federally) should be reviewed and amended in ways that encourage and facilitate participation in a local mixed economy.

In addition, we need to develop training programs that are aimed at women and use gender sensitive training techniques. The programs need to include life skills and upgrading and use a hands-on approach. Women should be utilized as role models.

We need to invest more significantly in child care so parents can take advantage of training, educational and work opportunities. Please refer to “Investing in our Future,” a research paper about childcare in the NWT (including recommendations) that was published by Alternatives North in 2006 (available at www.alternativesnorth.ca).

We should provide locally a variety of relevant training opportunities that are structured to avoid barriers to participation by members of all groups in the community (men and women, young and mature, Aboriginal and non-Aboriginal). Courses must also be appropriate to prepare people so that communities are able to meet their needs with their own people.

Mobile regional programs that can travel to the students (physically or virtually) also have a role to play since take-up rates for educational opportunities that don't require travel out of home communities are often higher.

ECE must work with the federal government and with the business and not-for-profit sectors to bridge the “dual digital divide.” Broadband service is being installed in all NWT communities but programs that will bridge the last mile into homes and businesses are required. To ensure that full and appropriate use is made of new technology, training and other support programs are needed. Aurora College and the Divisional School Boards have critical roles to play in this area, as do Industry Canada, INAC and HRSDC.

Should we encourage people in smaller communities to move to larger centres where there are more jobs and more economic growth?

Migration from rural to urban centres is a world-wide trend accelerated by dependence on market economics, by the economics (and resulting opportunities) of scale and consumerism. It is likely unstoppable regardless of government desires. If government

does decide that it is worth it to try to preserve small communities, a great deal of public investment will be required. It is most unlikely that private investors will be able to see enough opportunity in small communities that their activities alone will do the job. Not only employment opportunities will have to be made available to citizens in smaller communities but also quality municipal, educational, recreational, health and social services.

Although Alternatives North may believe it to be a difficult task, encouraging people to remain in their home communities can help build stronger families, preserve cultural identity and spread out humanity's ecological footprint.

Should we encourage people from other parts of Canada and around the world to come to the NWT?

Although not opposed to in-migration, Alternatives North would prefer to talk about and plan for a stable economy, rather than a constantly growing one. Sooner or later we are going to meet and surpass the carrying capacity of the land (indeed the earth). It may be that instead of planning for – and encouraging - perpetual growth, the NWT would be better off to prepare to deal with shrinking economies. The validity of such a scenario may not be apparent in the present “hot” economy, but considering both the boom and bust nature of the industries behind our current growth rates and the ultimate “limits to growth” the environment is warning we are approaching, it seems at least to be prudent.

In the context of the foregoing preference, two points:

1. It is preferable that northerners be given first chance at jobs in the NWT and at succeeding in their work with appropriate training and advancement opportunities. Employers should be required to adapt their operating procedures to achieve this end, even if it requires an investment above and beyond doing “normal” business.
2. It is fair that a higher payroll tax (and possibly the use of other similarly effective tools) be used to ensure that those who choose to work in the north but not to live here “pay back” to the north in a way that is not achievable through current income tax laws. Elsewhere in this submission we have made the point that corporations operating in the north should be expected to contribute their fair share for the same reasons.

Of course, we should be encouraging tourists to visit the NWT to experience our natural and cultural diversity, always within the carrying capacity of such resources and peoples.

What steps do we need to take to make sure we have the workforce we need to match the demands of our growing economy?

The focus of this question – especially placed as it is beside the question about in-migration - suggests that the population serves the economy rather than the other way around. Why should we seek in-migration if northerners are fully employed? The “problem” in the Northwest Territories is primarily the distribution of work, and the capacity of some northerners to meet the requirements of available jobs. Public policy should focus on lowering those hurdles rather than creating greater demand that can only be met by in-migration. If we have too many major projects going on at the same time, we will need more outside workers. We already have three diamond mines; we should slow down on others, wait until Ekati closes, etc., before promoting others. This is one way we will be able to continue to have jobs to offer our youth, and to do otherwise simply fuels the boom and bust cycle.

What infrastructure investments should be the priority?

Technological (high-speed) infrastructure and support programs would help service industries and businesses that utilize high-speed technology. The Northwest Territories should follow the lead of other jurisdictions and establish a backbone fibre optic service as soon as feasible. For cost considerations, this would best be installed alongside other utilities such as a pipeline, or a roadway. Such a service should be installed and operated as a public utility, not as a private business. Business opportunities will arise at the end of the line as long as connectivity is fast and costs are low. If profits (in addition to cost recovery) are to be made on the backbone, local take-up of the service will be greatly reduced commensurately.

The GNWT has been promoting a Mackenzie Valley highway for understandable reasons. The cost of living will be reduced and tourism will increase. Alternatives North questions, however, whether a highway is the best long term solution. Even with large investment in highway infrastructure, communities will remain in relative isolation. Thus, it is very unlikely that there will ever be significant manufacturing or industrial activity in most communities. Fuel costs are going to increase over the coming decades. Rather than invest in transportation infrastructure that is going to suffer the most as fuel costs increase – trucks and automobiles – why not spend on infrastructure that is likely to be more economic in the long run? Before large investments are made in building highways, serious analysis of rail and maybe new lighter-than-air technologies should occur. Both of these modes of travel are enjoying resurgence around the world. Rather than invest in what may be a dying mode of travel (when viewed in the long term), these options should be given a serious look. Both of these alternative modes offer not only the promise of cheaper transportation of people and goods, they are also significantly better from an environmental perspective.

There is a growing infrastructure deficit within communities across the country and the NWT is no different. There is a strong need to maintain healthy water and sewage systems with adequate operator training. Solid waste facilities in many communities desperately need to be upgraded and waste diversion needs to move well beyond beverage containers to include tires, electronic waste, and similar materials that can create lasting harmful legacies. Quality education and health care facilities and programs are also required and can help encourage people to remain in their home communities.

What changes should we make to taxes in order to attract more investment and business?

The premise of this question is flawed. As recounted by Drugge in “The Alberta Tax Advantage: Myth and Reality,” (*Trojan Horse*, Eds. Trevor Harrison and Gordon Laxer, 1995) business does not consider the tax regime to be a significant factor in their success. In fact, in two Statistics Canada surveys of small businesses he refers to, “low corporate or business taxes were not mentioned at all ... as contributors to business success.” (p. 185)

Instead, as identified by the editors of the book,

“low taxes are a minimal factor in encouraging investment. Other things, such as a well-trained workforce, adequate infrastructure, and proximity to markets are more important.” (p. 9)

This must be especially true in the case of non-renewable resource extraction industries that must establish their operations where they find them. Certainly it is beyond comprehension that territorial tax laws had any bearing whatsoever on the decision of the diamond mining or oil and gas corporations to invest. Lower taxes offer no “advantage” in such situations. From the same source:

“The second myth is that low taxes provide the province with an ‘Alberta advantage.’ Lower taxes are not new. Alberta has had lower taxes than the other provinces since the 1960s, ample time to carry out an experiment about its powers to attract business to Alberta. If low taxes provided an advantage, Alberta should have already diversified out of resource exporting dependency. It has not. Most of the industries that are in Alberta such as resources, tourism and retail, must be here. After twenty-five years of the Alberta experiment of lower taxes, it has failed to attract much in the way of “footloose” industries that do not need to be located here.” (Harrison and Laxer , p. 9)

As well, other jurisdictions with much higher royalty rates, tougher tax structures, even requirements that governments be significant (even majority) shareholders in enterprises, have not kept the corporations away.

Current corporate income tax laws in Canada are written such that corporations can “run” from them, resulting in the current race to the bottom that must eventually be won by the wealthiest jurisdictions (B.C., Alberta, Ontario). This reality is conscious public policy

and corporations cannot be faulted for maneuvering to take advantage. In a recent Canadian Centre for Policy Alternatives (CCPA) paper analyzing the so-called fiscal imbalance, “The Art of the Impossible: Fiscal Federalism and Fiscal Balance in Canada,” (Hugh Mackenzie, July 2006), a federal taxation tool is described that would prevent this race to the bottom. The GNWT should begin to work with (even lead) other jurisdictions that think that corporations should be required to pay their fair share, promoting this idea, and in so doing, encouraging the federal government to take the necessary action.

The focus of any NWT tax changes should be to obtain more revenue for our public government. A recent study released by the CCPA entitled “The Social Benefits and Economic Costs of Taxation” (Brookes and Hwong, December 2006) shows that countries with higher taxes enjoy lower rates of poverty, higher pensions, more equal distribution of income, more economic security, lower infant mortality rates, longer life expectancy, a greater percentage of their population completing secondary school and university, lower homicide and drug use rates and better environmental performance. Surely these factors are more important to our society than a misguided belief that lower taxes attract more investment.

The NWT should develop and implement both a carbon tax and a capital tax. We should also assign a higher General Taxation Area mill rate for industry. We should negotiate to require companies to make the NWT the place taxes will be paid as part of terms and conditions for project approvals. As mentioned elsewhere, we should increase the payroll tax again, if for no other reason than to provide further incentive for workers to move closer to where they work.

Alternatives North does believe that small business may be able to make a different case for selectively reducing taxes. Small businesses that are situated and have the bulk of their operations in the NWT should enjoy lower taxes than corporations that are by definition foot loose and obliged to care only about the interests of their (often far off) shareholders. Alternatively, it may be ultimately more effective to design programs that indirectly support local business, such as grant and loan programs, workforce training initiatives, transportation subsidies, research and development aids, market development assistance, etc., than to provide reduced taxes for any given business enterprise.

What’s the best way to ensure the GNWT receives more financial benefits from the development of our resources?

Rather than continuing to blame the federal government for taking the largest share of economic rent from non-renewable resource development, the NWT needs to show some leadership and start using its own power of taxation to retain more for its residents. While GNWT dithers, the resources are being moved out. Current economic rent regimes for mining and hydrocarbons are comparatively low. There is certainly room for improvement.

While GNWT states that it would like control over resource development, it has yet to articulate what it would do if it had such authority. In the absence of any clear principles or goals, some residents wonder whether GNWT would give away our resources faster and more cheaply than the federal government. We need to look at a bidding system for mineral and oil and gas rights. Instead of taking the first offer to come along, we should insist on (and regulate to ensure) more benefits retention prior to giving approvals. We need to take a harder line when negotiating socioeconomic agreements. Pre-approval arrangements should have measurable and enforceable results, not just statements of intent.

Once the Territorial Formula Financing (TFF) is announced, Alternatives North may have more to say about tax measures.

What government services are most important to achieve the economic vision we set?

The GNWT should restructure its present economic development function to create development officers who specialize in co-operative and community economic development projects. A fund equivalent in amount to funds allocated to support private enterprise each year should be created. Prospective co-operative and community owned enterprises, or plans to expand current operations, should be subsidized based on the validity of business case analysis. Beneficial aspects of such developments to northerners and their communities (i.e., factors beyond bottom line profitability) should be taken into account for all private, cooperative and community economic development initiatives supported by government. Community-based consultation and approval boards should be involved in assessing proposals due to these intangibles.

As mentioned in other parts of this submission, effective, coordinated education and training programs, with specific programs aimed at women are also required to achieve our economic vision.

What adjustments do we need to make to government services to make sure they can respond to growth in our economy?

Alternatives North has already stated above that we should not be seeking economic growth as a goal and end in itself but instead be building a sustainable and just economy.

Obviously, the negotiation of a fair and reasonable TFF will help make sure we get the revenues to meet forced growth. Nothing less than this minimum should be accepted. It is past time for the three northern territories and the “have-not” provincial jurisdictions to begin to work together to ensure that being a Canadian means a minimum quality of life funded through a fair equalization system that is based on the same progressive principles that our income tax system should be based.

What steps could be taken to streamline processes and speed up decisions?

The current resource management regime was established as a result of constitutionally entrenched Aboriginal land claims agreements. The spirit and intention of these agreements is to give northerners, particularly Aboriginal northerners, a greater say in resource management and to build sustainability. An integrated system of land use planning, environmental assessment, land and water management, cumulative impact monitoring and audit are supposed to be taking place. The real problems are that the system is under-funded, has been implemented piece-meal, and that federal and territorial ministers continue to meddle with appointments. All of these problems have been pointed out in the recent independent NWT Environmental Audit.

The solution is obviously not to dismantle the system and inappropriately speed up decision-making by cutting consultation and centralizing decision-making authority within the GNWT. The hard reality is that the NWT is a complex political and administrative jurisdiction. With territorial as opposed to provincial status, the federal government plays a large role and the GNWT does not have regulatory powers in critical areas. Aboriginal rights, including those gained through land claim and self-government processes add further complexity. And, in some areas, the lack of settled claims and of accepted land use plans confound things further. None of these realities are likely to go away soon. It is better to make sure the systems promised through the claims process work well than to try to change them. Diligent effort to resolve both land claim and self-government negotiations is needed. Proper land use plans must be approved and implemented. Boards with regulatory authority established under claims must be properly funded, staffed and trained, with appointments made in a timely manner so that their work can be properly carried out. Once resolved, efforts toward province-like powers for the GNWT should be stepped up. And after everyone's jurisdiction and interests are defined, "streamlining" of decision-making processes may be feasible.

What steps should be taken to increase the capacity of communities to anticipate and support economic growth?

Studies have shown that quality infrastructure and municipal services, and good amenities that help to attract and keep workers, are key to a community's economic development. Communities in the NWT, however, especially smaller and remote communities will still have difficulty attracting much private investment, regardless of the quality of life they offer. They are simply too far from significant markets to be able to be competitive except for "virtual" production that is made possible through high speed communications technology (discussed elsewhere).

The GNWT must provide financial, technical and administrative supports so that communities can continue to provide necessary infrastructure and recreational amenities

for their people. Small communities do not have the resources or critical mass to warrant retaining the full range of professional staff the operation of a modern municipality requires. Realistically this means that MACA and Works and Public Safety should have on-strength (or for services that are rarely needed, on contract) a pool of professionals who are available to provide necessary support.