

The Committee recommends:

That the National Industrial Training Program be expanded to insure that northern residents receive the necessary training for participation in major northern resource development projects.

In the same way that lack of access to advanced educational and training opportunities is hindering northern hiring in skilled occupational categories, northern business is also experiencing disadvantages from lack of expertise in providing the specialized goods and services required by the industry. A study of goods and services (*NWT Data Book*, Outcrop Ltd., 1981) offered by local firms in fact demonstrates that 22 firms accounted for 89% of goods and services purchased by Canmar in 1980. Such a concentration shows that few northern firms have the range and volume of goods and services to become continuous suppliers of the industry. Business has also complained that the manner in which purchase packages are designed discriminates unfairly against smaller firms. Timing of development and packaging of requirements are important factors in encouraging northern business participation in Beaufort Sea Region development. The comments made by the Committee in relation to Canadian participation are crucial in maximizing regional benefits.

The Committee recommends:

That the timing of development and supply requirements be structured to enable northern business to participate in Beaufort Sea Region development with its resulting economic benefits.

The boom-bust effect of hydrocarbon development already experienced in the Beaufort Sea Region, which resulted in overcapacity in the service sector, has left a residue of uncertainty among suppliers of goods and services. And yet an expanding and innovative entrepreneurship is of prime importance if the North is to diversify and linkages to other sectors of the region's economy are to be developed. Industry is presently trying to do its part in encouraging the service sector with positive policies on purchasing and information on business opportunities. It also sees the potential of joint ventures between existing southern-based enterprises and local firms in the construction and equipment industries. Industry suggests that government could improve training facilities and provide business with additional credit.

Since other regions of Canada will benefit from resource development in the North, it is not equitable in the Committee's view that the northern territories do not reap some of the benefits from this wealth. It should be possible to utilize some of the resource revenues accruing from development in the Beaufort Sea-Mackenzie Delta Region to initiate economic activities that will provide more stable sources of income.

The Committee recommends:

That a designated portion of government resource revenues accruing from hydrocarbon development be channelled into a form of heritage fund to provide an economic cushion and serve as a source of funds suitable for investment to promote a more diversified economic base.