The Yukon Legislative Assembly

Number 1  10th Session  23rd Legislature

Debates & Proceedings

Thursday, March 2, 1978

Speaker: The Honourable Donald Taylor
Mr. Speaker enters the Assembly Chambers, announced by the Sergeant-at-Arms.

Mr. Speaker: I have received communication from Mr. Commissioner, acting in his role as Lieutenant-Governor stating that he would open the Session at 10:00 a.m. today, Thursday, the Second day of March, 1978.

We are therefore now prepared to hear the Speech from the Throne.

The Commissioner enters the Chambers, announced by his Aide-de-Camp

The Commissioner presents the Speech from the Throne

OPENING ADDRESS
1978 FIRST SESSION

Mr. Speaker,

Members of the Assembly:

As Commissioner and Chairman of the Executive Committee, I have the privilege and pleasure today of presenting the Supplementary Estimates for the fiscal years 1976/77 and 1977/78 and the Main Estimates for 1978/79.

Before proceeding to the details of our budget proposals, I would like to review with you some of the significant developments since I last addressed this Assembly and to indicate some of the priorities and challenges which your Government will be facing in the months ahead.

You will recall that in the Speech from the Throne at the Opening of the last Session, nine major policy concerns of your Government will be facing in the months ahead. It was recognized that for the Government to undertake major capital projects during the period of pipeline construction, expenditure would decline during the pipeline construction period. This would increase inflationary pressures which is the very issue that Government is trying to defend against when pipeline construction begins in the Yukon.

It should be emphasized that such capital requirements would displace their occurrence in the budget for the period of pipeline construction and thus the high level of Government expenditure would decline during the pipeline construction period. In other words, accelerated capital expenditures that this Government is seeking funding for are not new projects created by the pipeline, but rather, it is new timing for undertaking the construction in order to avoid conflicting with the pipeline project.

Representation has been made to the Department of Indian and Northern Affairs for additional capital and land development funds of some $22.7 million to accelerate capital and land development projects for the above mentioned reasons.
To date, our requests have not been successful as the Federal Government is currently experiencing severe pressure on available financial resources.

We will continue to seek approval of Treasury Board for funds to accelerate our capital and land development programs, and will include these projects in supplementary estimates if and when we obtain approval.

Since I last addressed this Assembly, this Government has taken a significant step forward in the evolution of responsible government with the appointment of a fourth elected Member to the Executive Committee. Now almost all matters of major policy or program of this Government are in the hands of elected Members of this House: Members who are responsible to you for their actions. The burden of responsibility thus imposed on these four Members is, of course, shared by all Members for it is from this Assembly that political direction and leadership must come. As we approach the end of this Legislature we can look forward to a new Assembly, elected under a Yukon Elections Ordinance that promises even further positive developments in the way that political leadership will be defined.

You have spoken on behalf of Yukoners in seeking more responsible government and while progress in this direction in the past year has been substantial, it is clear that we will soon be embarking on a dramatic new phase of constitutional review and development. It will not be easy and solutions to complex problems will not always be swiftly found. Obviously, though, success in your goals will require your commitment, your good faith and your political direction.

Yukon Indian Land Claims continues to be a priority issue concerning Yukoners. The co-operative planning process appears to have come to an end; a new phase of intensive negotiations will begin at the end of this month. It is not known what the new negotiating process will comprise, but whatever format these negotiations adopt, however, the Government of Yukon must be fully involved.

In its policy statement of 1974 on Yukon Indian Land Claims, the Government of the Yukon Territory expressed its support for a just and expedient settlement, and concurred with the approach of the Government of Canada in working toward a settlement by means of negotiations. This support continues. In giving this support, moreover, the Government of Yukon Territory acknowledges its responsibility to represent the interests of both beneficiaries and non-beneficiaries in a settlement that will undoubtedly affect all Yukoners.

A Yukon Indian Land Claims settlement must guarantee the identity of the Yukon Indian people and their freedom to choose a way of life in harmony with their cultural heritage, while, at the same time, providing them with land and other forms of compensation so that they may have an opportunity to build an economic base with that of other Yukon citizens. The settlement must also provide Yukon Indians with the incentive and the opportunity to have their rightful say, within the context of a one-government structure, in the decision-making authority which governs their everyday life. In espousing these goals, the Government of Yukon Territory is confident that a just and a lasting settlement can be obtained. This Government, through its participation in negotiations, will strive to ensure that these goals are attained.

Mr. Speaker, another area of major concern to Yukoners and Members of this Assembly has been the question of land transfers. Members of the Executive Committee and myself have been unceasing in our attempts to demonstrate the clear and immediate need for land in our communities so that they might prepare now for developments which are virtually upon them. I am confident our message has been received and am optimistic that some way will soon be found to remove this bottleneck to orderly development.

The Yukon economy continues to provide grounds for cautious optimism. As in other parts of Canada, Yukon found itself affected by continuing inflationary trends yet was able to enjoy a recovery in revenues due to the activity of our mines, in our tourism, and the affect of major development agreements made during 1977/78.

Increased exploration and increasing interest in Yukon by the rest of Canada will continue for 1978 and 1979. We are closer to the proposed dates for the start of construction of the Alaska Highway Pipeline, and the Carcross/Skagway Highway will be completed late this year. The Dempster construction continues, and the Shakwak Project enters its second season and is progressing steadily.

In my opinion, all of these major developments, along with the normal development taking place in Yukon, will continue to stimulate our economic growth.

Your Government continues to react responsibly to this challenge by keeping the best interests of all Yukoners in mind, and I believe this budget will reflect this attitude.

Mr. Speaker, all of the studies we are engaged in serve to reflect what all of us already know. Whether it comes from the electrical company, the fuel supplier, or the grocer, there is a never ending assault on all of our pocketbooks that is eroding our disposable dollars and leaving all of us confused and bewildered as to who to blame and how to attack the problem.

One thing is certain—we would all know who to blame and how to attack if this Government decided to raise licenses or fees or taxes at this time.

Mr. Speaker, we have a healthy working capital at the present time built up through sound responsible fiscal policies, which allows us for this year at least to dip into that reserve to help absorb some of the increased costs of Government services and the continuation of the normal high standard of programs to the Yukon taxpayer.

Let no one make any mistake—we cannot continue our present electrical rate equalization program into the future without a new supply of funding. We cannot continue our present rate of subsidization to all Yukoners of the costs of the Yukon Health Care Insurance Program without a new supply of funding. And we cannot continue our present taxing and grants programs into the future without a new supply of funding.

It's fine to talk tough and in terms of blunt reality and that we all must "bite the bullet" and pay the true costs of government activities.

The fact is, Mr. Speaker, that if we paid the real costs of all the goods and services that this Government is providing or subsidizing to Yukon residents in such areas as education, health care, electrical rate equalization, and capital programs, there would scarcely be a homeowner raising a family who could afford to remain here.

Rather than making further demands on the Territorial Treasury for still more programs and services at this time, it would seem prudent for all of us to reflect on how the present programs in operation can continue to be funded as costs continue to escalate with no respite in sight.

**ANNUAL BUDGET**

With regard to the Annual Budget, Mr. Speaker, the revised estimates for the 1977-78 fiscal year reflect a decrease in expenditures in Operations and Maintenance and an increase in capital expenditures. The increase of $548,700 in Capital Ex-
pencillures is mainly due to the addition of engineering services projects and delays in other projects creating the net increase. The decrease of $798,400 in Operation and Maintenance expenditures is due mainly to decreased costs on cost shared programs. These reductions on cost shared programs will also reduce our recoveries. There will, however, be increased capital recoveries. The net effect will be an increase in our working capital of $2,556,200 for 1977/78.

The 1978/79 Main Estimates reflect the recently announced re-organization of this Government which will allow us to deal more effectively with the major developments facing us. The projected figures for 1977/78 have been changed to reflect the re-organization in order that accurate comparison can be made. The Estimates also continue to show a greater breakthrough by dividing each establishment into its activities.

The Government continues to be concerned about fighting inflation yet is committed to maintaining a satisfactory level of service to the public in all areas.

The economic development we are facing in Yukon has created the need for reappraisal of our long term plans. As a result, we have brought some of these plans forward to the 1978/79 fiscal year in order that we will be prepared for what is ahead of us.

Mr. Speaker, the budget before you calls for Operating Expenditures of $70,861,000 - Capital Expenditures of $29,456,000 - Loan Amortization Payment of $3,095,000 - and Third Party Loans of $5,000,000 - for a total Estimates Expenditure of $108,412,100 for the fiscal year 1978/79.

The proposed expenditures are $22,147,700, or 25.7 per cent more than the original estimates for fiscal year 1977/78. Operating and maintenance expenditures account for $7,843,800 of this increase and $12,758,900 is related to Capital Expenditure costs.

The largest part of the total increase can be attributed to expanded programs with the remainder of the increase due to inflationary factors affecting service and material costs.

The proposed expenditure level for fiscal year 1978-79 coupled with projected revenues, recoveries, the Grant In Lieu of Income Tax and the Operating Grant will result in a budgetary deficit of $143,100. This will bring our working capital to a level of $6,589,300.

Mr. Speaker, contracts with our Government Employee’s Association and the Teachers’ Association are up for negotiation again this year. Settlement of these agreements plus other anticipated cost increases will undoubtedly reduce our working capital substantially. By maintaining our working capital at the level anticipated in the Estimates, we will be able to protect ourselves form fluctuating revenue levels and increasing costs.

With respect to Capital Expenditures, we are forecasting a Working Capital level of $2,557,000.

Mr. Speaker, the Operating Expenditures for each department will be reviewed in detail by this Legislature; therefore, I propose not to deal with them in the oral part of this Address. The highlights, however, form part of the written address which Members have before them and which, I hope, will be tabled as a Whole before this Assembly.

Mr. Speaker, the fiscally responsible budget your Government is proposing today reflects your Government’s concern that Yukoners shall continue to have a high level of public service with no increase in taxation.

Mr. Speaker, the following money bills will be placed before you to give effect to the budget:

- the Financial Agreement Ordinance, 1978;
- the Municipal General Purpose Loan Ordinance, 1978;

Mr. Speaker, this Legislature will also be asked to consider legislation dealing with community assistance amendments, a Dawson Water and sewer replacement, road allowances in Whitehorse, Medical Professions Ordinance, Tobacco Tax Ordinance amendments, Home Owners’ Grant Ordinance amendments, Highways Ordinance amendments, Dental Profession Ordinance amendments and amendments to the Student Financial Assistance Ordinance and a number of policy papers.

Mr. Speaker, my Officers and I, as in the past, are prepared to assist you in any way.

Mr. Speaker: I will now call the House to Order.

We will proceed at this time with Prayers.

Prayers

Mr. Speaker: I would beg to inform the Assembly that in order to prevent mistakes, I have obtained a copy of the Speech from the Throne which I now lay on the table.

Mr. Berger: Yes, Mr. Speaker, I move, seconded by the Honourable Member from Pelly, THAT the Speech from the Throne be considered on a day following.

Mr. Speaker: It has been moved by the Honourable Member from Klondike, seconded by the Honourable Member from Pelly River, THAT the Speech from the Throne be considered on a day following.

Motion agreed to

BILLS: INTRODUCTION AND FIRST READING

Hon. Mrs. Whyard: Mr. Speaker, I move that a Bill entitled Third Appropriation Ordinance, 1976/77 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Human Resources that a Bill entitled The Third Appropriation Ordinance, 1976/77 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Hibberd: Mr. Speaker, I move that a Bill entitled Fourth Appropriation Ordinance, 1977/78 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Consumer and Corporate Affairs, that a Bill entitled Fourth Appropriation Ordinance, 1977/78 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Lang: Mr. Speaker, I move that a Bill entitled Financial Agreement Ordinance, 1978, be now introduced and read a first time.

Mr. Speaker: When shall the Bill be read a second time?

Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. Lang: Mr. Speaker, I move that a Bill entitled First Appropriation Ordinance, 1978/79 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Education that a Bill entitled The First Appropriation Ordinance, 1978/79 be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read a second time?

Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. Lang: Mr. Speaker, I move that a Bill entitled Financial Agreement Ordinance, 1978, be now introduced and read a first time.
Mr. Speaker: It has been moved by the Honourable Minister of Education that a Bill, entitled Financial Agreement Ordinance, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. McKinnon: Mr. Speaker, I move that a Bill, entitled Municipal General Purpose Loan Ordinance, be now introduced and read for a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Local Government that a Bill, entitled Municipal General Purposes Loan Ordinance, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for the second time?

Hon. Mr. McKinnon: Next sitting of the Assembly, Mr. Speaker.

I move that a Bill, entitled An Ordinance to Amend the Home Owners' Grant Ordinance, be now introduced and read for a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Local Government that an Ordinance, entitled An Ordinance to Amend the Home Owners' Grant Ordinance, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mr. McKinnon: Next sitting of the Assembly, Mr. Speaker.

Hon. Mrs. Whyard: Mr. Speaker, I move that a Bill entitled Loan Agreement Ordinance, 1978, No. 1, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Human Resources that a Bill entitled Loan Agreement Ordinance, 1978, No. 1, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mrs. Whyard: Mr. Speaker, at the next sitting of the Assembly.

Mr. Lengerke: Mr. Speaker, I move that we do now adjourn.

Ms Millard: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Ogilvie, that we do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 10 a.m., Monday next.

Adjourned
The Members present were:

The Hon. D. Taylor, Speaker
The Hon. J. Hibberd
The Hon. D. Lang
The Hon. J.K. McKinnon
The Hon. F. Whyard
Mr. A. Berger
Mr. R. Fleming
Mr. W. Lengerke
Mr. S. McCall
Mr. G. McIntyre
Ms E. Millard
Mrs. H. Watson

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As Commissioner and Chairman of the Executive Committee, I have the privilege and pleasure today of presenting the Supplementary Estimates for the fiscal years 1976/77 and 1977/78 and the Main Estimates for 1978/79.

Before proceeding to the details of our budget proposals, I would like to review with you some of the significant developments since I last addressed this Assembly and to indicate some of the priorities and challenges which your Government will be facing in the months ahead.

You will recall that in the Speech from the Throne at the Opening of the last Session, nine major policy concerns of your Executive Committee with respect to the pipeline regulatory agency and legislation were enumerated. I am pleased to report that the Legislation recently introduced in Parliament has adopted or enabled the realization of eight of those concerns. The voice of your Executive Committee was heard. This same Legislation also recognizes the right of the Yukon Territorial Government to participate in the joint planning and management of this project through the Federal-Provincial Consultative Council. I wish to assure this Assembly at this time that the Yukon representative on this Council will be the nominee of your Government.

In introducing this Legislation, the Government of Canada has also announced it intends to negotiate an agreement with the Yukon Government permitting us to borrow money to pay for pipeline related expenditures which have to be incurred prior to the receipt of property tax revenues. The availability of this line of credit will enable Yukon to take whatever steps are necessary to both protect our citizens from undesirable impacts and to maximize the opportunities the project will present. Obviously, we must not spend such money foolishly or unnecessarily. On the other hand, it would be negligent to delay or postpone needed pipeline-related programs until the tax revenue was available, if to do so meant the programs would be too late to fulfill their intended purpose.

In this regard, we will be developing criteria for what are pipeline-related expenses so that in our negotiations with the Federal Government we can ensure that normal development costs do not inflate our loan requirements.

The Minister has also indicated that the Government in Canada accepts the principle of a Yukon Heritage Fund as recommended in the Lysyk Report. I welcome the acceptance of this principle, although we clearly have some tough negotiations ahead to establish this fund in a manner acceptable to Yukoners. While we recognize that some pipeline tax revenues will go to reduce the amount of deficit funding we require, this Government is committed to ensuring that significant financial benefits from the pipeline remain in the Yukon for Yukoners.

It is in this context that we will be entering wide-ranging discussions with the Government of Canada on issues which will affect the future Federal-Territorial financial arrangements. One specific and immediate goal, of course, will be to establish means of accelerating capital funding immediately to permit us to undertake known and needed projects at a time when they will not conflict with pipeline construction. It goes without saying that the need to accelerate these projects because of pipeline construction should not inflict a financial penalty on Yukoners.

This is a difficult and critical situation.

With the certainty of such a major construction project as the pipeline in the Yukon in the years 1981 to 1983, it was the Yukon Territorial Government's position that we should review our capital expenditure forecasts for that period and decide which programs should be accelerated to take place before and which should be postponed until after the pipeline construction period.

The capital projects considered were all normal departmental projections resulting from normal growth and development of services in the Yukon Territory.

It was recognized that for the Government to undertake major capital projects during the period of pipeline construction would exacerbate the situation wherein the construction industry will be fully extended in coping with the pipeline project itself. This would increase inflationary pressures which is the very issue that Government is trying to defend against when pipeline construction begins in the Yukon.

It should be emphasized that such capital requirements would displace their occurrence in the budget for the period of pipeline construction and thus the high level of Government expenditure would decline during the pipeline construction period. In other words, accelerated capital expenditures that this Government is seeking funding for are not new projects created by the pipeline, but rather, it is new timing for undertaking the construction in order to avoid conflicting with the pipeline project.

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Rather than making further demands on the Territorial Treasury for still more programs and services at this time, it would seem prudent for all of us to reflect on how the present programs in operation can continue to be funded as costs continue to escalate with no respite in sight.

ANNUAL BUDGET

With regard to the Annual Budget, Mr. Speaker, the revised estimates for the 1977-78 fiscal year reflect a decrease in expenditures in Operations and Maintenance and an increase in capital expenditures. The increase of $548,700 in Capital Ex-
penditures is mainly due to the addition of engineering services projects and delays in other projects creating the net increase. The decrease of $798,400 in Operation and Maintenance expenditures is due mainly to decreased costs on cost shared programs. These reductions on cost shared programs will also reduce our recoveries. There will, however, be increased capital recoveries. The net effect will be an increase in our working capital of $2,596,200 for 1977/78.

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Mr. Speaker, the Operating Expenditures for each department will be reviewed in detail by this Legislature; therefore, I propose not to deal with them in the oral part of this Address. The highlights, however, form part of the written address which Members have before them and which, I hope, will be tabled as a Whole before this Assembly.

Mr. Speaker, the fiscally responsible budget your Government is proposing today reflects your Government's concern that Yukoners shall continue to have a high level of public service with no increase in taxation.

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the Municipal General Purpose Loan Ordinance, 1978;

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Mr. Speaker, my Officers and I, as in the past, are prepared to assist you in any way.

Mr. Speaker: I will now call the House to Order.

We will proceed at this time with Prayers.

Prayers

Mr. Speaker: I would beg to inform the Assembly that in order to prevent mistakes, I have obtained a copy of the Speech from the Throne which I now lay on the table.

Mr. Berger: Yes, Mr. Speaker, I move, seconded by the Honourable Member from Pelly, THAT the Speech from the Throne be considered on a day following.

Mr. Speaker: It has been moved by the Honourable Member from Klondike, seconded by the Honourable Member from Pelly River, THAT the Speech from the Throne be considered on a day following.

Motion agreed to

BILLS: INTRODUCTION AND FIRST READING

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Mr. Speaker: It has been moved by the Honourable Minister of Human Resources that a Bill entitled The Third Appropriation Ordinance, 1976/77 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Hibberd: Mr. Speaker, I move that a Bill entitled Fourth Appropriation Ordinance, 1977/78 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Consumer and Corporate Affairs, that a Bill entitled Fourth Appropriation Ordinance, 1977/78 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Hibberd: Mr. Speaker, I move that a Bill entitled Fourth Appropriation Ordinance, 1976/77 be now introduced and read a first time.

Mr. Speaker: When shall the Bill be read a second time?

Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. Lang: Mr. Speaker, I move that a Bill entitled First Appropriation Ordinance, 1978/79 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Education that a Bill entitled The First Appropriation Ordinance, 1978/79 be now introduced and read a first time.

Motion agreed to

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Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. Lang: Mr. Speaker, I move that a Bill entitled Financial Agreement Ordinance, 1978, be now introduced and read a first time.
Mr. Speaker: It has been moved by the Honourable Minister of Education that a Bill entitled *Financial Agreement Ordinance*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mr. Lang: Next sitting of the Assembly, Mr. Speaker.

Hon. Mr. McKinnon: Mr. Speaker, I move that a Bill entitled *Municipal General Purpose Loan Ordinance*, be now introduced and read for a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Local Government that a Bill entitled *Municipal General Purposes Loan Ordinance*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for the second time?

Hon. Mr. McKinnon: Next sitting of the Assembly, Mr. Speaker.

I move that a Bill entitled *An Ordinance to Amend the Home Owners’ Grant Ordinance*, be now introduced and read for a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Local Government that an Ordinance entitled *An Ordinance to Amend the Home Owners’ Grant Ordinance*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mr. McKinnon: Next sitting of the Assembly, Mr. Speaker.

Hon. Mrs. Whyard: Mr. Speaker, I move that a Bill entitled *Loan Agreement Ordinance, 1978, No. 1*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Human Resources that a Bill entitled *Loan Agreement Ordinance, 1978, No. 1*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: When shall the Bill be read for a second time?

Hon. Mrs. Whyard: Mr. Speaker, at the next sitting of the Assembly.

Mr. Lengerke: Mr. Speaker, I move that we do now adjourn.

Ms Millard: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Ogilvie, that we do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 10 a.m., Monday next.

*Adjourned*