



# **The Yukon Legislative Assembly**

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**Debates and Proceedings**

**Monday, April 24, 1978**

**Speaker: The Honourable Donald Taylor**

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## Whitehorse, Yukon Territory

April 24, 1977

**Mr. Speaker:** I will now call the House to order.

We will proceed at this time with Morning Prayers.

## Prayers

**Mr. Speaker:** We will proceed at this time to the Order Paper under Tabling of Documents.

## TABLING OF DOCUMENTS

**Mr. Speaker:** I have for tabling this morning, for information of all Honourable Members, a reply from the Honourable Hugh Faulkner, Minister of Indian and Northern Affairs, respecting NCPC debt burden.

Are there any further documents for tabling?

**Ms Millard:** Mr. Speaker, I have for tabling this morning, a brief presented to the Task Force on National Unity by the Yukon Native Brotherhood. I also have for tabling this morning the terms of reference for the Special Government Representative for Constitutional Development in the Northwest Territories, and the terms of reference for the Minister's Special Representative for Constitutional Development in the Yukon Territory.

**Mrs. Watson:** Mr. Speaker, I have for tabling this morning a letter from the *ad hoc* committee to form a Ratepayers' Association.

**Mr. Speaker:** Are there any further documents or correspondence for tabling? Are there any reports of committees? Petitions? Introduction of Bills?

## BILLS: INTRODUCTION AND FIRST READING

**Hon. Mr. McKinnon:** Mr. Speaker, I move that introduction and first reading be given to *An Ordinance to Amend the Taxation Ordinance*.

**Mr. Speaker:** It has been moved by the Honourable Minister of Highways and Public Works, for leave to introduce and give first reading to *An Ordinance to Amend the Taxation Ordinance*.

*Motion agreed to*

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

**Hon. Mr. McKinnon:** Next sitting day, please, Mr. Speaker.

**Mr. Speaker:** So ordered.

Are there any further Bills for introduction at this time?

Are there any Notices of Motion for the Production of Papers? Notices of Motion or Resolution?

Are there any Statements by Ministers?

This then brings us to the Question Period. Have you any questions?

## QUESTION PERIOD

## Question re: Rent Control Legislation

**Ms Millard:** Mr. Speaker, a question for the Minister of Consumer and Corporate Affairs: how far along is the legislation that is supposed to be prepared for the rental controls? How far along is the legislation that is being prepared now?

**Hon. Mr. Hibberd:** Mr. Speaker, as I indicated previously, it is not a simple thing to prepare, but it is progressing well at this stage and the majority of the work is done in its preparation. It has not yet been reviewed by sub-committee.

**Mr. Speaker:** Supplementary from the Honourable Member from Ogilvie.

**Ms Millard:** Mr. Speaker, can we expect that Bill would be presented to this House before we adjourn?

**Hon. Mr. Hibberd:** Mr. Speaker, as I indicated when we were discussing it previously, we will proceed with all possible speed that we could, that it would be unlikely that we would have it ready for this Session and I do not think we will be able to get it in, as this is probably the last week we will be sitting.

## Question re: Teslin/Gravel Availability

**Mr. Fleming:** Yes, Mr. Speaker, a question for the Minister of Local Government, regarding the Teslin area and gravel.

Last year there were some disturbed residents at Teslin because they could not get any gravel for cement and this year there is more, I think, building coming up, possibly with a new subdivision and a few other things. We could not get any ourselves last year, but I notice that the Government, and they had a contract to Teslin, were down there in the place they would not let us, loading with machines, and I am wondering if there is anything this year that will allow the residents of Teslin to go somewhere and get gravel.

**Hon. Mr. McKinnon:** Mr. Speaker, I am sure that after I deal with the minor problems and land and taxes that my next area of contention that I am going to lose on will be in the area of gravel and quarrying. I can just see the problems that are arising, not only in the City of Whitehorse and the City of Dawson, but throughout the Yukon Territory.

Mr. Speaker, we have done a comprehensive policy in the City of Whitehorse, and we are going to have to be doing the same thing in the individual communities because it is becoming a problem in lots of areas in Yukon.

As far as the specific problem for this specific time in the Teslin area, I will have to get a specific answer to that problem for the Honourable Member, Mr. Speaker.

## Question re: Indian Land Claims

**Mrs. Watson:** Mr. Speaker, at the present time, the Council of Yukon Indians and all the members of the Council of Yukon Indians are meeting to adopt or ratify a position for Yukon Land Claims.

My question this morning is to the Commissioner. Will the Territorial Government be receiving a copy of that land claim, and will the Territorial Government be in a position to make it public, or at least to make it available to the Members of this House?

**Mr. Commissioner:** Mr. Speaker, I expect we will receive a copy of it eventually. I am afraid I cannot inform this House or the Honourable Member when. I do not know that information. Nor do I know exactly how it will be presented to us: whether it will be presented to us in a confidential negotiating type stance or whether it will be offered to us as a public document.

Certainly, our preference would be the latter that when the document is ready and the Indian people have decided that is their paper that will be made available to all of us so that we can all attain impressions of all Yukon people as to what the implications might be in such a settlement claim.

**Mrs. Watson:** Mr. Speaker, a supplementary question: has your Minister, the Honourable Hugh Faulkner, given you any indication of whether he will be treating this document as a confidential document?

**Mr. Speaker:** I believe that question was addressed not to the Chair, but to the Commissioner, is that correct?

**Mrs. Watson:** Yes, Mr. Speaker, it was addressed to the Commissioner.

**Mr. Commissioner:** Mr. Speaker, I have had no indication from the Minister on that matter.

**Mr. Lengerke:** Mr. Speaker, a question to the Commissioner on the same subject. Is there any schedule or any timing when the position is to be brought forward to this Government by the Indian people? Is there any schedule on that?

**Mr. Commissioner:** Mr. Speaker, the only indication I have is from public statements made by the individuals elected to lead the Council for Yukon Indians. The statement around the First of May is the only one that I have access to at this time.

**Question re: Legislative Assembly Film**

**Mr. Lengerke:** Mr. Speaker, a question for the Minister of Human Resources. Last Thursday, Members of this Assembly enjoyed a film that was put together by the Information Services. The film, I think, mainly dealt with the working of the Legislative Assembly and the forthcoming election and party politics. It was a very, very excellent presentation, well done, and I am wondering could the Minister tell me this morning when that film will be made available to the general public and the press, because I think it is something that I think should be made available to them as quickly as possible.

**Hon. Mrs. Whyard:** Mr. Speaker, it is my understanding that arrangements are being made for a press preview today. I have not had an opportunity to check this morning, but that was my understanding on Friday.

Procedures will then be announced regarding how the film will be distributed to the public. The objective, of course, Mr. Speaker, is to have it seen by the public. The point of view here was that there is very little known outside this building about the operations of this Government, what happens when you are elected, what the duties of a Member are and the whole process of government in this Legislature. What we plan, Mr. Speaker, in the Department of Information Resources is that any groups wishing to view this slide show will make arrangements to see it through the Information Services. It will be shown by an Information Officer and he will be accompanied by a member of the staff of, Mr. Speaker, Clerk of Council, who will answer questions regarding procedures in the House and government in general.

It is not a political show. It is a non-political presentation, but it does include the possibility of political parties in the Fall and how that would affect operations within this House.

I would expect that it would be available within the next few days, Mr. Speaker. There are several minor corrections to be made in the actual show and I would like to see it on the road very soon.

**Question re: Indian Land Claims (Cont.)**

**Mrs. Watson:** Mr. Speaker, a supplementary question to the Commissioner regarding the land claims: in the past, Yukon has played a role in the negotiations of an Yukon Indian land claim. We have just gone through the co-operative planning procedure. I understand that is not to be the procedure that is followed again.

My question to the Commissioner is, has your Minister indicated what method of negotiations will be used to deal with the position paper that will be presented by the Yukon Indians and what role will Yukon have in those negotiations?

**Mr. Commissioner:** Mr. Speaker, it is not necessary for me to outline to the Members of this House the participation that Yukon has had in the past. Indeed they have participated ever since the co-operative planning process commenced as full partners in discussing a claim.

As far as we have been officially formed, and I can only go on that, this same process will continue in the future. I have had no communication from my Minister, nor from anyone else involved in the process that indeed there will be a change at this stage of the game. I can only listen, as the Honourable Member has, to some statements made publicly by Members of the Council for Yukon Indians. There has been no recognition of those statements and no discussion of those statements at any forum where decisions have been made to alter the method of discussion of the land claims.

**Mr. Speaker:** Any further questions?

**Question re: Consumers' Protection Ordinance**

**Ms Millard:** Mr. Speaker, a question for the Minister of Consumer and Corporate Affairs. Some time ago, in fact I think in our first years in Assembly, we passed a motion stating that the *Consumers' Protection Ordinance* should be repealed and replaced. When I questioned on whether or not that was going to be done, I was told that civil legal aid was the answer, and that they were going to observe whether or not the problems that are presented under the *Consumers' Protection Ordinance* are being helped by civil legal aid. Has it been the answer? Has civil legal aid been the answer to the consumer's problems, as the protection of the consumer, as it should be in the Ordinance? Or is there something in the works to repeal and replace the *Consumers' Protection Ordinance*?

**Hon. Mr. Hibberd:** Mr. Speaker, I do not have that information available, except to say that the *Consumers' Protection Ordinance* will be subject to review and revision. It is a question of priorities, and it probably will be coming up in the near future. It is on the agenda, but is not top priority at this time.

**Question re: Family Allowances**

**Mr. Fleming:** Mr. Speaker, a question for the Minister of Human Resources on the family allowances. I have a form here from the Federal Government. For some reason or other, they list the Alberta rates and it goes from age 6 to a certain price and from 7 to 11, from 12 to 15, and from 16 to 17. Of course the highest rate is over \$11 higher than the rate in the Yukon for 17 year olds. I am just wondering why the differential in the rates that are paid out?

**Hon. Mrs. Whyard:** Mr. Speaker, a year or so ago, the Federal Department of Health and Welfare who issue the family allowances, made it clear that if a province wished to adjust the payments according to age group of the child within the overall total annually of family allowance per child, it was their prerogative to do so. Some provinces chose to do this. Alberta was one of them, on the basis, and I think it is a very sound one, that you do not need the same amount for an infant of six months as you do to provide for the needs of a teenager. So they adjusted these payments according to the age of the child.

I raised the matter at that time. I believe we mentioned it in the House. I may not be positive about that, Mr. Speaker, but I did mention it to the public in at least one broadcast and asked for their comments as to whether they wished to proceed that way in Yukon.

I got a very limited response, Mr. Speaker, and we did not pursue the investigation any further. But it is possible to do this if there is enough public support for making that change, it can be done in Yukon, as it is in the provinces so that the larger payments would occur during the more expensive years of childhood.

**Mr. Fleming:** Supplementary, Mr. Speaker, to the Minister: does the Minister realize that the actual overall picture that Yukon is still lower when you average it out than Alberta is?

**Hon. Mrs. Whyard:** Mr. Speaker, not to my knowledge. The same amount is paid out by the Federal government to all jurisdictions. I have no information as to why it would be greater in Alberta, unless the Alberta Government is sweetening the pot with its own resource money.

**Mr. Speaker:** Are there any further questions?

**Question re: Optometric Examinations**

**Ms Millard:** Mr. Speaker, a question for the Minister of Health: some time ago the question of including optometric examines in YHCIP was discussed and I am wondering how far along that is? Has an answer been given on whether or not that might be included in the near future?

**Hon. Mrs. Whyard:** Mr. Speaker, we did check into it at the time and I am not sure what the result of our research was. I would like to bring an answer later please.

**Question re: ARDA Program**

**Mrs. Watson:** Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs: Now that the Bill giving the authority to the Territorial Government to enter into agreements under the ARDA program has passed this House, could the Minister indicate to us how much money the Department of Regional Expansion in Ottawa has set aside for Yukon under the ARDA program for 1978 and 1979?

**Hon. Mr. Hibberd:** Mr. Speaker, that Bill has not, as yet, passed this House. It is due for third reading today and I cannot give you a figure. I do not believe a figure is in existence as to how much money is intended to be set aside. It depends on what applications are made.

As you know, each project would be considered on an individual basis and it would depend on the number of applications that were accepted through the committee system.

I know that DREE has funds available because they, for instance the Manitoba Government has cut back a good deal on their spending and so the money indeed would be available to us, whatever needs we have.

**Mrs. Watson:** Well, Mr. Speaker, to the Minister of Consumer and Corporate Affairs, how much has the Federal government set aside for the ARDA, just specifically the ARDA program, this year in all of Canada?

**Hon. Mr. Hibberd:** I will have to get that for the Member, Mr. Speaker.

**Mr. Speaker:** Are there any further questions?

**Mr. Fleming:** Yes, for that, Mr. Speaker, to the Minister of Consumer Affairs, I wonder if he knows of the organization or whatever it was that the witness spoke of the other day, that said they had tried to get the program in BC and did not get it and then put an application into Yukon for such a program?

**Hon. Mr. Hibberd:** Could I have clarification on that? I do not understand what program he is referring to.

**Mr. Speaker:** Perhaps the Honourable Member could restate the question?

**Mr. Fleming:** Mr. Speaker, the ARDA program, the Development program that we were speaking of?

**Hon. Mr. Hibberd:** Mr. Speaker, BC has had Special ARDA in for several years now, about 1971, and there is a good deal of money being spent in northern British Columbia under the Special ARDA program.

**Mr. Fleming:** Mr. Speaker, I was not speaking of BC. The witness that was here the other day said that there was already, I asked the question, if anybody had asked actually in the Yukon for this program even before it was here. He said no, there was somebody in BC, that tried to start it in northern BC and asked for the program. Somehow, something went wrong and they had applied to the Yukon for the program.

**Hon. Mr. Hibberd:** I think there is some confusion, Mr. Speaker. There indeed have been several representations from Yukon residents to have Special ARDA brought into the Yukon. We have several letters on file requesting that it be brought in. We have certainly heard from various organizations requesting that it be brought in. There has been a lot of representation to have DREE programming in Yukon.

**Mrs. Watson:** Mr. Speaker, a supplementary to the Minister of Consumer and Corporate Affairs. The Honourable Member from Hootalinqua is absolutely correct. The witness indicated that there was a private enterprise from Vancouver that was interested in locating in the Yukon under the ARDA program. I think his question was, what enterprise is that?

**Mr. Speaker:** Order, please. I believe these questions are relating to something that happened in a Committee of this House, but perhaps the Members might bear that in mind.

**Hon. Mr. Hibberd:** Mr. Speaker, under Special ARDA, it is as I described. What you are referring to is not Special

ARDA. There have been applications come forward regarding RDIA designation: private commercial enterprises wishing to come into the Yukon. Yes, there has been some applications made to DREE, not to us, we are not involved with the program yet. But I understand there have been some.

**Mr. Fleming:** Supplementary then, Mr. Speaker, who were the applicants?

**Hon. Mr. Hibberd:** Mr. Speaker, if I understand the question correctly, I think I have already answered it. We are not yet involved in the program, so we have no applications on board. There are people who have talked to DREE about coming into the Yukon, but there has been no representation on behalf of any individuals to this Government.

**Mr. Speaker:** Any further questions?

**Mrs. Watson:** Mr. Speaker, another supplementary to the Minister of Consumer and Corporate Affairs. When the Minister spoke to the ARDA program, he stressed the fact that this would be an opportunity for local businesses to get some funding. Why is the Minister now stating that one of the reasons the ARDA program came in here was because there were pressures from businesses outside of Yukon to establish in the Yukon under ARDA?

**Hon. Mr. Hibberd:** Mr. Speaker, there have been no applications or no representation from outside organizations to come into the Yukon under Special ARDA. There has been no such thing.

**Mr. Speaker:** Are there any further questions?

**Mr. Lengerke:** Mr. Speaker, a question for the Minister of Consumer and Corporate Affairs: is the Minister not aware of an application by a west coast culvert manufacturing firm for special incentive in ARDA in Yukon?

**Hon. Mr. Hibberd:** No, Mr. Speaker, there has been an application for representation made to DREE regarding some such industry as that, under RDIA, not under Special ARDA.

**Mr. Speaker:** There being no further questions, we will proceed on the Order Paper to Motions and Resolutions.

**ORDERS OF THE DAY****MOTIONS AND RESOLUTIONS**

**Madam Clerk:** Item Number 1, standing in the name of the Honourable Member, Mr. Lengerke.

**Mr. Speaker:** Is the Honourable Member prepared to deal with Item 1?

**Mr. Lengerke:** Yes, Mr. Speaker.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Whitehorse Porter Creek, that the brief from the Yukon Tourism Advisory Board be referred to Committee of the Whole for discussion.

**Mr. Lengerke:** Mr. Speaker, I would call question.

*Motion agreed to*

**Madam Clerk:** Item Number 2, standing in the name of the Honourable Member, Mr. Lengerke.

**Mr. Speaker:** Is the Honourable Member prepared to deal with Item 2?

**Mr. Lengerke:** Yes, Mr. Speaker.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Kluane, that the green paper entitled "Proposals for a Motor Transport Ordinance" be referred to Committee of the Whole for discussion.

**Mr. Lengerke:** Mr. Speaker, I would call question.

*Motion agreed to*

**Madam Clerk:** Item Number 3, standing in the name of the Honourable Member Mr. Fleming.

**Mr. Speaker:** Is the Honourable Member prepared to discuss Item 3?

**Mr. Fleming:** Next sitting day, Mr. Speaker.

**Mr. Speaker:** So ordered.

We will now proceed to Private Members Public Bills.

#### PRIVATE MEMBERS' PUBLIC BILLS

**Madam Clerk:** Bill 102, Mr. McIntyre.

##### Bill Number 102: Second Reading

**Mr. McIntyre:** Mr. Speaker, I move, seconded by the Honourable Member from Kluane that Bill Number 102, *An Ordinance Respecting the Council of the Yukon Territory* be now read a second time.

**Mr. Speaker:** It has been moved by the Honourable Member from Mayo—may I have the seconder again, please?

**Mr. McIntyre:** The Honourable Member from Kluane.

**Mr. Speaker:**...seconded by the Honourable Member from Kluane, that Bill Number 102 be now read a second time.

**Mr. McIntyre:** Mr. Speaker, the principle of this Bill is to provide conflict of interest guidelines for Members of this Assembly.

The Bill is very similar to the one introduced during the last Session as the *Legislative Assembly Ordinance*. The change in name, deletions of a number of sections dealing with money and other matters were made in order to make the present Bill acceptable to the Minister.

It was thought better to go with the possible, rather than get into another confrontation which would leave us with no guidelines at all.

**Mrs. Watson:** Yes, Mr. Speaker, I have no problems in seconding this Bill and supporting this Bill. I was rather, I would say amused at the headlines or the captions in the paper last week, regarding the MLA's backing down.

I do not think, Mr. Speaker, it is a matter of the MLA's backing down. I think it is a matter of the MLA's acting in a very responsible manner. We realize, as does everybody in the Territory, as we approach a Territorial election, that it is absolutely necessary for anyone in Yukon who is seeking an elected position in this Assembly to have some guidelines of whether their personal involvement, be it business or even otherwise within the Territory, would conflict with their role as an elected person in this Assembly.

There are too many people who are in doubt. Because they are in doubt, they are making the decision not to go ahead and throw their hat into the ring. By doing this, we could be losing and we probably would lose some very good potential candidates and very good potential Members of the Assembly. It is most important that we get some guidelines defined in law.

At one time our Committee thought that if we even adopted a policy paper which outlined some guidelines, that this would be sufficient, rather than go along and yield and change the name of the Ordinance. We decided against that because we thought the guidelines definitely should be enshrined in law. Whether the guidelines are good guidelines or bad guidelines, and whether there are deficiencies and loopholes, we probably will not know until they are actually applied within the Territory.

We have gone through these guidelines, these conflict of interest guidelines for almost a year now, and we have changed and revised and come back to different positions. I think we have all agreed, our Committee, that the only way the proof of this pudding is in the eating of it, and it likely will have to have amendments within the next four years where there will be some big loophole quite evident to the Members who sit in the Assembly at that time.

**Mr. Speaker:** I hope that the Committee gives this very close scrutiny because I do not think the Members of our Standing

Committee would feel at all insulted or that our intelligence was being questioned if there are amendments brought forward to this Bill. At least, Mr. Speaker, we are yielding to the needs of the Territory, and really that is all we are interested in.

In the Territory, the name of Legislative Assembly is accepted, and if it is 3,000 miles away they do not accept it, really, it does not matter that much to us. I do not think that we can be preoccupied by some very minor people who ought to continue the power that was given to them in some very archaic legislation such as the *Yukon Act*, which is a fine example of legislation that is dead, that is not living. The worst thing we could ever do here in Yukon is to keep dead legislation in our books. That is why this Bill is before us for second reading, Mr. Speaker.

**Mr. Lengerke:** Mr. Speaker, I cannot really add too much more to what has already been said by the Member from Kluane. Certainly Bill 102, we could have probably let this legislation die and never hear again from it until the next session and a new Legislative Assembly.

I think it is really a critical time that we are facing. We are facing a critical time in Yukon's history and its future when we have to have new people guiding the future of this Territory. We, as a Committee, certainly felt that we must bring forward guidelines so that people do know, as the Member from Kluane and the Member from Mayo has said. We must have these guidelines in place so that people know what they are facing, how they have to stand for elected positions.

Certainly we could have carried on and fought the name situation, but I do not know to what degree that would have solved the problem and certainly, there is no problem with me supporting Bill 102. I think it is a very critical piece of Legislation and we have brought forward one of the most important aspects of the original Bill.

**Mr. Speaker:** Is there any further debate?

*Motion agreed to*

**Mr. Speaker:** Shall this Bill be referred to Committee of the Whole?

**Mr. Lengerke:** Yes.

**Mr. Speaker:** So ordered.

We will now proceed to Public Bills.

#### PUBLIC BILLS

**Madam Clerk:** Third reading Bill 16, Dr. Hibberd.

##### Bill Number 16: Third Reading

**Hon. Mr. Hibberd:** Mr. Speaker, I move that Bill Number 16, *Special Rural Development Agreement (Special ARDA) Ordinance*, be now read a third time.

**Mr. Speaker:** I believe it would be first necessary to give reading, first and second reading to the amendments to the Bill.

##### Amendments to Bill Number 16: First and Second Reading

**Hon. Mr. Hibberd:** Mr. Speaker, I move the amendments to Bill Number 16 be given first and second reading at this time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Consumer and Corporate Affairs that the amendments to Bill Number 16 be now read a first and second time.

*Motion agreed to*

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

**Hon. Mr. Hibberd:** Now, Mr. Speaker. I move that Bill Number 16, as amended, *Special Rural Development Agreement (Special ARDA) Ordinance*, be now read a third time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Consumer and Corporate Affairs that Bill Number 16 be now read a third time.

**Ms Millard:** Mr. Speaker, I was disturbed to see the debate that arose on this Bill in Committee. I am a firm believer that

the measure of a society is measured by the way it treats its underprivileged.

I am afraid our measure was taken during that debate and found wanting. I really do not want to be a part of the discussion that took place during that Committee hearing. In fact, I was so angry about it I could not even speak about it at the time.

I think this legislation is long overdue and we need more legislation like it. This ARDA program specifically helps non-status Indians. It has nothing at all, really, to do with registered Indians, who have their own programs. One-third of the native people in Yukon only are registered Indians. We still have to consider another four or five thousand people in this Territory, who are very underprivileged.

The non-status people in Canada have often been called the forgotten people and I am afraid that we are inclined to do the same thing as the rest of the country. To forget them as individuals, as underprivileged people who need all the help they can get.

It is all very well to say that any discrimination is wrong, and certainly I agree with that principle, but it is a very unrealistic position to take, because, at the same time you are saying there is no discrimination and that is ridiculous because there is. We have to make some efforts to equalize the situation for everyone in the Territory.

It appears that legislation is the only way. It is unfortunate that we cannot change attitudes, but perhaps legislation will serve as a reminder that we must change our attitudes.

**Mr. Speaker:** Any further debate?

**Mr. Fleming:** Mr. Speaker, I have to differ against this Bill. I, as the Member on my left, really feel for the little people that are in this Territory and anywhere else but I find a program such as this is not for those 4,000 or 5,000 people that she claims are looking for something. They are not the ones that get something. It will be the corporations and multi-corporations and bigger and bigger ones that end up with the money. Of course they will probably supply a few more jobs to the Territory to the poor, and they will probably get a little work, which they have been doing probably all their lives to try and make a living. It is the fact that this type of program, such as all the other programs that this Government has come up with in the last eight years, does absolutely no good in the long run.

I can see the same effect with this one only a lot larger. What we need is something where those people that the Member speaks of really will have something, not a give-away program that will create a job for them for a while or maybe not create a job but it is spend a bunch of money trying to create that job. What we need is something for those people. I might not know the answer, but I am sure there is one somewhere. This is not it.

**Mrs. Watson:** Mr. Speaker, during debate in Committee I opposed this Bill very strongly and I have not changed my position.

The Honourable Member from Ogilvie and I certainly do not share the same philosophy. But there is one point that I do agree with her, that I think underprivileged or disadvantaged people have to have some assistance from government. I do object, most strongly, when you classify disadvantaged or underprivileged people by race. This is what is happening, both at the Federal level and now at the Territorial level.

We have many disadvantaged and underprivileged people in the Territory who are neither Indian or non-Indian. We have, by the same token, all privileged people in the Territory are not necessarily non-Indian people. There are many Indian people in this Territory who are very privileged.

This is the problem we get into when we take care of needs of people who need a little bit of help and define those guidelines by race. That is one of the things that I have objected to the ARDA program. More than that, I object to and oppose governments' involvement in private enterprise. It is a basic

philosophy that I think we have followed in this country and we have got off the track and we have distorted completely the private enterprise, the marketplace structure, the basic structure, that our country was founded upon.

I know that there are many good arguments that can be put forth where the government is required to stimulate an economy of an area. But our Government could stimulate the economy of this Territory much more than signing something as ARDA or DREE with the Federal Government. If the Federal Government recognized the need in the Territory for a hydro development, for a source of cheaper energy, our economic problems would be taken care of and we would not need this two-bitting and that is all it is that we are starting on with this type of a program.

It would give the opportunity for Yukon to be competitive and, as the Minister of Local Government said, businesses in Yukon are being discriminated against because they cannot compete with areas outside of jurisdiction.

If we had a source of cheaper power, we would be in a competitive basis and it would be across the board. It just would not be to a business who hires the majority of people who are of the Indian race.

So, Mr. Speaker, I know it is a very, almost unpopular position I am taking, but I get so concerned with people who are let go into business because they are having government assistance and if they have to have this assistance to go into business, then the chances are that the business cannot survive on its own merit. Then the Government will constantly be asked to inject more money into that business in order to protect the jobs that were established.

This is a vicious cycle and circle and the original money probably will be federal money, but you can bet your bottom dollar, when some of these businesses get into trouble and you are looking at the laying off of 20 people, 15 people, Federal government, their involvement is finished. The pressures will be on this Government to subsidize one specific business in one area, and then in another and another and another.

That business could well be competing with a Yukoner who has invested his blood and his sweat into a business that has not had the injection of taxpayers' money.

So, I disagree with the whole basic philosophy of this type of program and I certainly disagree with the way they have indicated in the agreement of what class or group of people should get the biggest help.

**Mr. Speaker:** Is there any further debate?

**Mr. Lengerke:** Mr. Speaker, I support Bill 16 and I have said that from the original time that we talked about ARDA and DREE in Yukon and certainly I well realize there has been a lot of difficulty with the program in some parts of the country. I think I said before that the record in the West is something rather different than what has happened in some of the eastern provinces.

We hear of all those failures and all the problems that they have had and we do not hear of even the successes, but certainly, if you take a look in the western provinces, you will find that there has been a great deal of help provided to the small businessman.

Having been involved, I am well aware of many cases where people like a small fellow that runs a welding shop or a fellow that has a small carpentry sash and door type plant or there are many instances where these type of people have been helped. A small lodge operator has had real good realistic help, financially and technically.

I think the success rate amongst the smaller businessmen is excellent.

I too, I do not like to see it differentiated in a program where there is Special ARDA dictating, saying by race. On the other hand, the RDIA program does not say that it is available for a

non-native or for a native. However, that is beside the point, Mr. Speaker. I think that probably we will see that by the time we have a new government in Ottawa, whatever government that may be that we will probably see a re-write of the ARDA situation. The RDIA will probably stay as it is, and ARDA may take a different form. Something that is maybe more palatable when you are speaking of it.

I think that is really the main problem in Members even in this Assembly, accepting it. I would think, Mr. Speaker, that we are just putting Yukoners on the same footing as some of the opportunities available in other provinces and most of the other provinces. In fact, I even see that Alberta has now signed an agreement with DREE under Special ARDA and the RDIA program in an area in northern Alberta.

Certainly the programs are beneficial and I think that I put more faith in, as I said before, faith in the people of Yukon to use the program right. I think the make-up of the committee to look at the applications will, I hope, be of grass-roots type people, business people, who have some common sense when looking at the applications, and will know that if somebody is just trying to make application for the sake of making application and getting assistance and then not having the wherewithal or back-up to make that particular project a success. That is something I am sure the Minister will be looking at when it comes time to make up that Committee.

**Hon. Mr. Hibberd:** Mr. Speaker, just a few remarks regarding the program that I think do bear extenuation. First of all the program is not a hand-out. It is a job situation where a person has to work to get what he is going to get and has to be a valid business that he is involved with.

They have to supply a five year plan of what their business is going to do, and they have to live by it. They are given the expertise to draw up that five year plan, but the business itself must be competitive. If it is a marginal business, they will not have the funding from this source.

It is designed so that businesses in an area, such as Yukon, who might require more capital because of the circumstances, will have enough to get them over that hump so they can compete.

I would like to stress this is a balanced program, that it does get into all areas of the Yukon economy. The RDIA designation, of course, is applied to any businesses whatsoever, it has no mention of race in that program. I would also like to mention that Special ARDA itself only refers to the fact that one-half the employees must be native. The ownership of that business might very well rest in non-native hands, but it is designed, of course, to get the native involved in the economy.

I think it is important to stress that this is the source of money available. We have been looking for sources of money for this type of thing. We do not have the capability ourselves to go ahead with it, this is a source that is not directly from DIAND, it is another department of the Federal Government that it has the money, and I think we should put ourselves in the position where we can use that money, which, if we do not sign the agreement, of course, is not available in any form.

**Hon. Mr. McKinnon:** Mr. Speaker, just a short comment on the remarks made by the Honourable Member from Ogilvie, that I was a bit surprised at. She said, I think, to quote her, that she had been disturbed and angered by the debate and did not even want to be part of it.

It seemed to me, Mr. Speaker, when I looked around and saw the hands raised that it was eight to three in favour of the ARDA and the RDIA agreement. That would seem to me, Mr. Speaker, that her remarks were a bit off-base. Rather than being disappointed and angered, she should have been quite pleased and proud of the majority of her colleagues in the way that they voted on this decision.

**Mr. Speaker:** Order, please. I am sorry, I perhaps was thinking of something else. The mover of the motion, having

twice spoken, has indeed closed debate and I was in error in permitting any further debate at this time.

**Hon. Mr. McKinnon:** No, he only spoke once, Mr. Speaker.

**Mr. Speaker:** I am sorry, that the mover having twice spoken has closed the debate.

Are you prepared for the question?

**Some Members:** Agreed.

**Some Members:** Disagreed.

**Mr. Speaker:** Division has been called.

Madam Clerk, would you poll the House.

**Hon. Mr. McKinnon:** Agreed.

**Hon. Mrs. Whyard:** Agreed.

**Hon. Mr. Lang:** Agreed.

**Hon. Mr. Hibberd:** Agreed.

**Mr. McIntyre:** Agreed.

**Mr. Berger:** Agreed.

**Mr. Fleming:** Disagree.

**Ms Millard:** Agree.

**Mr. McCall:** Disagree.

**Mrs. Watson:** Disagree.

**Mr. Lengerke:** Agree.

**Madam Clerk:** Mr. Speaker, the results of division on Bill 16, eight yea, three nay.

**Mr. Speaker:** I shall declare that the motion is carried.

*Motion agreed to*

**Mr. Speaker:** Are you prepared to adopt the title to the Bill?

**Hon. Mr. Hibberd:** Mr. Speaker, I move that Bill Number 16 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Minister of Consumer and Corporate Affairs that Bill Number 16 do now pass and that the title be as on the Order Paper.

*Motion agreed to*

**Mr. Speaker:** Bill Number 16 has passed this House.

**Mr. McCall:** Thank you, Mr. Speaker. I would move that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

**Mr. Fleming:** I second that.

**Mr. Speaker:** It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Hootalinqua, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

*Motion agreed to*

*Mr. Speaker leaves Chair*

## COMMITTEE OF THE WHOLE

**Mr. Chairman:** Committee please come to order.

The matter we will have under discussion after a brief recess will be the *Yukon Council Ordinance*.

I will now declare a brief recess.

*Recess*

**Mr. Deputy Chairman:** I call this Committee to order. We will proceed reading Bill 102, *An Ordinance Respecting the Council of the Yukon Territory*.

*On Clause 1*

**Mr. McIntyre:** Mr. Chairman, this Bill for a new *Yukon Council Ordinance* includes a new set of rules regarding qualifications and disqualifications for Members and lays down in detail the types of employment or business contracts that would disqualify a Member. As the Assembly is in a position to control and limit government activity by legislation, and exer-



cises financial control through the budget, it is most important that Members should be free of any conflict of interest which would prevent them from acting with complete independence as Members.

The qualification and disqualification, in general terms, are as follows: (1) a Member must be qualified to vote in a Yukon election, (2) he cannot be a Member if he is a Member of the Senate or of the House of Commons or any provincial assembly, (3) if he is employed by the Government of Canada or the Government of the Yukon Territory, he cannot be a Member.

There are a number of exceptions to this rule which are listed in the Bill. A person who has a contract with the Territorial Government involving public money is disqualified and this also is subject to some exceptions. Any Member who accepts any fee or reward for supporting, doing or promoting something in the Assembly becomes disqualified.

These conflict of interest rules in the Bill are the very basic ones, and there may be instances that occur during the course of any Assembly where an individual conflict of interest may arise that is not covered by this Bill. Indeed, it is not possible to cover every possible type of conflict of interest. But should such a conflict arise, then it would be matter for a committee of the House to determine. Thank you.

**Mr. Deputy Chairman:** Thank you, Mr. McIntyre.

Any further debate on Clause 1.(1)?

*Clause 1 agreed to*

*On Clause 2*

*Clause 2 agreed to*

*On Clause 3*

*Clause 3 agreed to*

*On Clause 4*

**Hon. Mr. Lang:** Mr. Chairman, could I have a little bit more explanation on 4.(1), the reason for the clause in the Bill?

**Mr. McIntyre:** Mr. Chairman, this section deals with the affect of prorogation on future sittings and it has not been changed from the section that was discussed during the previous Assembly.

It was one of the clauses that we had some difficulty with from Ottawa, but all it indicates is that when Council is prorogued, that it is not necessary to name the date at which it is prorogued.

In other words, the actual date of the next meeting of Council does not have to be set at prorogation of Council.

**Hon. Mrs. Whyard:** Mr. Chairman, I have no problem if we could agree that the redundant comman in line four could be considered a typo.

**Mr. Deputy Chairman:** It is a typo error, Mrs. Whyard.

**Hon. Mrs. Whyard:** Thank you.

*Clause 4 agreed to*

*On Clause 5*

*Clause 5 agreed to*

*On Clause 6*

**Mrs. Watson:** Mr. Chairman, it is quite significant in there that we have not included mayors or aldermen of municipalities or board of trustees of L.I.D.'s as an exclusion. A person hears comments from the general public that anyone who is on a city council or who is a trustee of an L.I.D. should not be eligible or should not be allowed to sit as a Member of the Territorial Legislature. But we have not followed that and there may be some argument from some of the Members regarding this.

I think that we all know that in the Northwest Territories, one of the Members of their Legislative Assembly is actually a mayor of one of their communities. So, we have gone along with what is usually accepted in other jurisdictions.

*Clause 6 agreed to*

*On Clause 7*

**Hon. Mrs. Whyard:** Mr. Chairman, in (2), one minor question that occurs to me is that a person who is named Queen's Council, QC, is in fact, I would think, holding a Commission from Her Majesty. I would not like to see that necessarily bar a candidate for office in this Government, because it is a honorary title given to members in the legal profession. I just wonder if that is a technical difficulty that somebody might try to quote.

**Mr. McIntyre:** That particular suggestion was not brought to the Committee, but I do not think it would be applicable because the wording of this Section parallels, to a certain extent, that of the disqualifications for Federal Members and certainly a great number of the Members of Parliament are Queen's Councils and hold the commission from the Queen. I think the same rules would apply to them. It is not an office of profit of any kind, it is an honorary thing that really in this day and age has not got that much significance either.

**Hon. Mr. Lang:** Mr. Chairman, one point here. The Member from Klwane referred to the fact that you have a Mayor of one of the communities who also sits in the Legislature of the Northwest Territories. In 7.(2) the same holds true. The particular individual that I was referring to also sits on the Board of Directors for NCPC. It is my understanding, from reading this Section, this would preclude the Legislature from nominating a Member from the Legislature to sit on that Board of Directors if the Members of the next House felt that they had a capable member who should be involved in the decision-making of NCPC. I would just like to hear other Members' feelings on this. I do know they have done it in the Northwest Territories and there is some merit to it, but at the same time, I can see the problems that one would get into as well.

Possibly we can hear some comments from some of the Members of the Committee when they were discussing this.

**Mr. McIntyre:** Mr. Chairman, this particular problem is covered by (3)(e). If a future Council so desires to nominate a Member of the Council itself to sit on a commission or other board from which he is unable to sit because of Section 7.(2), if the Council passes a Resolution or passes an Ordinance providing for the same, then he in fact could sit, "providing that no salary or other profit is received by the person, other than as provided for in or pursuant to the resolution or ordinance". So the provision for appointing a Member of the Assembly, and paying him, is included in (3)(e), but it is entirely up to a future Council to make this determination.

**Hon. Mr. Lang:** The following question, earlier in discussing Section 6, you stated to the effect that you felt that if one was a mayor or an alderman or a trustee of an L.I.D. that he or she should not be ineligible for holding office. If that is the intent, would it not be clearer if a section were added to subsection 7.(3), outlining that and clearly stating that that individual would not be ineligible to hold office, because this is what you are doing with this Section. You are stating that people who would not be ineligible for holding office for the following reasons.

I think, in order to clarify that, that that possibly should be put into this section.

**Mrs. Watson:** I think the Member is making a good point for 7.(3), but 7.(3) are the cases that are against, that are contrary to 7.(2) and so we have listed the cases and, really, a mayor or alderman or a trustee of a board of an L.I.D. would not be contrary to subsection (2).

I was going to bring up the fact that in 7.(2), I think that the Member has brought up a good point, was the board of trustees of an L.I.D., they are not employees of the Territorial Government, but their salaries are paid through a grant from the Territorial Government and are very directly voted upon by the Members of the Legislature.

I think that is one thing that we might have to take back to look at, whether we need clarification for the board of trustees.

whether they are receiving money from the Territorial Government or whether they are receiving money from the L.I.D., when the L.I.D. is really only there because of the money that comes from the Territorial Government, completely and absolutely.

If some of the money from an L.I.D. came directly from their taxes, as the city does, then it would be different. But I think we are going to have to look at that.

**Mr. McIntyre:** Mr. Chairman, I think that the protection given to members of a municipal body or an L.I.D. is covered by 7.(2), because it says that the "office, commission or employment" must be in the "service of, or nomination of, Her Majesty, the Government of Canada or the Government of the Yukon Territory".

A member of the L.I.D. is not a member of the L.I.D. at the nomination of the Government of the Yukon Territory. They are elected.

**Hon. Mr. Lang:** Mr. Chairman, the only thing is that you are writing legislation. We should be trying to write it as clear as we possibly can.

If it is written into the legislation that an individual who is an alderman, is a mayor or a trustee of the L.I.D. is eligible as a member of the Council and still retain that position, I think it should be written into the legislation because two or three years down the road there are going to be other people reading this and they are not going to, perhaps, understand the interpretation.

What I am saying, it would clarify the situation to those people who are wondering whether or not they are eligible to run as Council members and still retain their positions. If it is written into the legislation, they have a copy of the legislation, they can read it and they know exactly where they stand, rather than having to go through the Votes and Proceedings, phoning the Clerk of the Assembly, going through the whole exercise.

**Mrs. Watson:** Mr. Chairman, I think the Honourable Member has made a very good point. We want to make it as clear as possible for anybody who is interested and we will certainly have a look at that, I think.

**Mr. Deputy Chairman:** Does Committee agree we stand over Clause 7?

**Some Members:** Agreed.

*Clause 7 stood over*

**Mrs. Watson:** Mr. Chairman, with respect, could we stand over 6 and 7, because I do not know whether we are going to put it in 6 or 7, if we make provisions for it.

**Mr. Deputy Chairman:** Well, Clause 6 has been carried. Mrs. Watson.

**Mrs. Watson:** Okay.

*On Clause 8*

**Mr. Fleming:** Mr. Chairman, I was wondering if the Bill could explain the reason. I see no actual place where a person on the Council could obtain land for residential use during the lifetime of the Council, while he is here that four years. I see where it says that he is the purchaser of land in (l), but in (f) it says that he should be already under the agreement before he is a Councillor. I am wondering about during the time that he is a Councillor, what can he do then?

**Mr. McIntyre:** Mr. Chairman, (f) applies generally to a purchaser of land which may be for commercial or any interests, any purpose whatsoever. That general thing applies to agreements that were entered into before he became interested in becoming a Councillor.

The (l) deals with the purchaser of a parcel of land for a residence, and this entitles a Councillor during the time he is a Member of the Assembly, to apply for a parcel of land for a residence.

**Mr. Berger:** Mr. Chairman, (2)(b), I was wondering what is the reasoning behind, "less than ten percent" of the shareholder of a company. In large corporations, sometimes the major shareholder is somebody that holds 9.9 per cent of the shares in the corporation. I think we are going a little bit overboard here. We are trying to get away. I think the intention of it is, of a major shareholder influencing a government decision and maybe benefiting from it. But like I say, 9.9 per cent of a shareholding in some corporations forms a part of a major shareholder. I think we should look at this really carefully.

**Mr. McIntyre:** Mr. Chairman, this was a matter which was discussed almost at every meeting that we had. It is, to be trite, it is like being a little bit pregnant: just how far can you go in permitting an interest, a person interested in a company. Should it be 10 per cent or 5 per cent or whatever? We had the same problem with another section. We had considered allowing a certain amount of money and we decided that we would eliminate that completely. Anybody that received \$10 under these particular circumstances would be disqualified.

I think it is up to this Committee of the Whole to make a determination whether ten per cent equity is the amount or should we go to the other extreme and say that a person who is a director or a member of a corporation and so on, under these circumstances, if he is completely disqualified, no matter what interest he has, whether it is ten per cent, five per cent or fifty per cent or whatever.

But I think this figure was put in for a basis for argument and I do not think any Member of the Committee that designed this particular Ordinance would object to something coming from the Committee as a further guide.

**Hon. Mr. Lang:** Mr. Chairman, the Member from Klondike raised an interesting point in that particular area. At the same time you can take it from the other view point where Government is so prevalent in North America today in the 20th Century, that a person in a small business, to a large degree, may have to depend on government.

Let us say, for an example, if you were in a private printing business and some of your business did come from government, if the individual had 30 or 40 per cent equity in a small business, he would be ineligible under this piece of legislation, the way I understand it, to run for office.

It could preclude a lot of people who would otherwise be interested in an office and capable from running for office. I think that the major point, in respect to the conflict of interest, which we have never practiced here, is the following section, which is Section 9.(1), which states an individual shall not vote in areas where he is affected, under Section 8.

Now, I understand that that is why that particular section is put in that. Am I not correct, Mr. McIntyre?

Mr. Chairman, I think some thought has to be given to this, whether we should be perhaps increasing the equity that an individual has in a small business.

Now, realize Mr. McIntyre has outlined this. It is a very difficult area to try to determine just how much equity an individual can have in a business, but I think that we should maybe look at increasing it to a certain extent.

I would like to hear what the Member from Hootalinqua and the Member from Whitehorse South Centre has to say on this, because I think it is an area that we really have to look at because we could be precluding people that would be very capable candidates and possible members in this House from running for office.

**Mr. Berger:** Yes, Mr. Chairman, obviously the Minister did not get the gist of my objection here. I was talking about major corporations. The danger never arises, as far as I am concerned from a small family business where there are two shareholders or three shareholders normally.

Those people ever influencing government, I think is just as far-fetched as me jumping over the moon. I am talking about large corporations where 9.9 per cent of equity in shares to a shareholder means he is a majority shareholder. Those are the people who can influence governments and actually are influencing governments in this day and age.

**Mr. Fleming:** I do not see anything really, in here, in the Ordinance yet, that really covers this and whether you could or cannot do it. I would say just provide goods and services under a contract, if you are the owner of a hotel or motel, a service station, or anything of this type on the Highway.

**Mr. McIntyre:** Comment on Mr. Fleming's remarks? No, the person who is in a private ownership situation, sole proprietorship, would be disqualified, because you have 100 per cent interest, under this particular Section. But there are provisions whereby you can divest yourself of your conflict, and these come in at a later time in the Ordinance.

**Hon. Mrs. Whyard:** Mr. Chairman, I may not understand this completely, but I am looking at 8.(2)(a), and I am wondering if there is something anywhere else in the amendments which would cover, for example, a grant under DREE. This does not exactly pin you down on that kind of public funding, which is Federal. Would a Member be permitted, for example, to apply, because I see nothing there specifically regarding a Federal employment project?

My other question 8.(2)(a) would be concerning a Member, for example, who might have received a recreation grant for a specific project, which is available to the public, and his public right may be to go to Japan to see a handicraft display or enter it? Mr. Chairman, that is a legally established right of the public, to apply for those things through various groups.

**Mr. Deputy Chairman:** I see this particular clause is going to be going on for some time, so I will declare a recess until 1:30.

*Recess*

**Mr. Chairman:** Would the Committee please come to order.

We have for discussion this afternoon the Memorandum on Electrical Rate Equalization and we have representatives from the Chamber of Commerce in the person of Ian McKay and Dave Morrison, who would like to present something to us.

So, with the concurrence of Committee, we will hear from the Chamber of Commerce.

**Mr. McKay:** Thank you, Mr. Chairman. We appreciate this opportunity to talk to the Committee on this matter. It is a very difficult and complicated matter to look at.

We have had a copy of the memorandum—

**Mr. Lengerke:** I am sorry and excuse myself for interrupting.

I understand there is another witness, as well, Mr. Chris Pearson and I am wondering would it be any advantage to having him appear at the same time?

**Mr. Chairman:** It would be a disadvantage. I think Mr. Pearson should be heard on his own paper.

**Mr. Lengerke:** That is fine, thank you.

**Mr. McKay:** We have had an opportunity to read the Memorandum on our Electrical Rate Equalization, prepared by the Public Utilities Board.

We would like to state at the outset that this memorandum is a very preliminary review of the ramifications of equalization and we feel, as a Chamber, that further study would be necessary before taking any action, either positive or negative, on it.

We note that equalization is a fairly common way of doing things in the provinces, so it has become fairly established as a method of equalizing costs.

However, we do think that Yukon should look further into it.

There are a number of areas we would like to mention in that regard.

Just a general principle of equalization, it is another area of where government intervenes in the costs of services to a community and, by subsidizing one against the other does do some distortion of the natural flow of commerce.

On that point, we would point out that everybody in the Territory is, at the moment, servicing certain electrical bills and have structured their businesses and prices and rates and so forth in light of that so any significant change where you would feel should happen gradually. A large increase in the bills for businesses coming with very little warning and would be quite difficult to adjust to.

I would point out in the passing, at the present situation, whereby the corporate income tax of Yukon Electric is rebated to the Territory and is thereby used to reduce all residential and some commercial accounts. Already it does constitute a subsidy from Whitehorse to other areas, simply because Yukon Electric's profit is largely generated in Whitehorse and a rebate plan is throughout the Yukon.

The reports of the memorandum did not touch upon the mining industry. It left this strictly alone and that is an area that we think is really sensitive. The mining industry appears to be having a few problems in the Yukon now, and if there was going to be large cost increases to them, this should be carefully considered before it is done.

We can go back and say there are two proposals before the Committee, one being the outright equalization of all communities across the Yukon. This would result in a 15 per cent increase in the electrical rates to Whitehorse residents, and a 23 per cent increase in rates to the commercial users in Whitehorse. I think these are very significant figures and there would be some difficulty in absorbing that, particularly when we are speaking on behalf of the business community. If there has to be equalization we would favour it on a gradual basis and in the manner that has been suggested by way of rate zones within each system.

Above and beyond all that, there is the whole question of inter-relationship of Yukon Electric and NCPC which would come into this question of how this equalization system should work. That is something that has to be looked at. It is a very sensitive and difficult area, particularly when you look at the NCPC situation as it is today.

Mr. Morrison is with me, and he would like to address a few comments on NCPC and its situation today.

**Mr. Morrison:** Mr. Chairman, the Chamber has been quite extensively involved in examining the electrical rate situation in Yukon over the past few years and I have brought some figures with me and I will be glad to table them with the Clerk for the information of Members.

One of the pieces of information that I have outlines NCPC busbar rates from 1958 through 1978 and they show, at an outset prior to Whitehorse Rapids, that we were paying five cents a kilowatt hour for power.

Also, in the same year 1958, post Whitehorse Rapids, we were paying 2.5 cents a kilowatt hour for power. From there through until 1966, rates went down every year. The 2.5 cents decreased to 1.45 cents, excuse me, 1.25 cents in 1966.

The next year, which saw an increase, was 1975. In 1975, Yukon Electric was paying for NCPC power 1.45 cents a kilowatt, which represents a 16 per cent increase.

Since that time, users in Yukon have seen a 21 per cent increase, a 43 per cent increase, a 10 per cent increase and a 7.5 per cent increase. That is 82 per cent in three years in the cost of power. Granted some of that cost, as well, is prior to Aishihik.

On top of that, Yukon Electric, who had not increased their costs to consumers for a number of years, have applied for and received some rate increases over the past few years. They

have gone from 2.5 cents a kilowatt to 3.9 cents a kilowatt. Now, that is on an average cost of 1,000 kilowatts a month.

The Memorandum on Electric Rate Equalization, as Mr. McKay pointed out, on the total Territory-wide scale, proposes a 15 per cent increase on the cost of power in Whitehorse. That, added to the other increases that I have outlined briefly here, really does impose a heavy burden on the people of Whitehorse. Granted, the users in the outlying communities are also paying quite a lot for power.

The one aspect that we would like Committee to look at is if equalization is considered, the Territory being under one scheme would be the most appropriate and we think this can be done without going through a Territory-wide scheme immediately. Instead of trying to impose such a heavy burden of 15 per cent all at once, the system of rate zones or by grid and small diesel, large diesel and Mayo system would allow a total Territory-wide equalization plan to be implemented over a few years or on a gradual basis.

The whole question of cost of power rolls itself into what we have determined, or can determine, as the cause of the large increases in the cost of power, and that is the Aishihik Dam Project. The Government of Canada have never resolved the Aishihik question and we do not know if they ever will.

We have asked them time and time again for a resolution of the question. The Dalby Report which I would hope that everybody, or all the Members of Committee have read, clearly outlines in many instances that a significant portion of the cost overrun of Aishihik is the fault of the Federal Government. The Federal Government have never paid their share of the cost overruns.

The memorandum that was tabled this morning, or the telex from the Minister, is no different than anything that we have received from him over the past little while, which indicates that the Federal Cabinet is looking at the cost of power in the Territory. Mr. Chairman, I think that really the Federal Government have to do an awful lot more than look at the cost of power in the Territory, if the Government of Yukon and this House is to be able to institute an equalization scheme which is going to be fair to everybody. In other words, Mr. Chairman, the Chamber thinks that prior to any equalization plan being carried out, we would like to see the electrical rate situation resolved in Yukon.

That really cannot be done without some type of resolution of the Aishihik question. The granting of the water license by a federal government department who both control the granting of the water license, who control the corporation, really pinpoints something in terms of cost of power. We would like to see the House be able to take some positive action on the question of NCPC costs and rates. We know it is difficult, but we think it would certainly help the consumer and the power situation in Yukon.

There is no doubt, and there is little doubt, that anything that is done in Yukon in the foreseeable future relies totally on the question of power, the cost of it, the availability of it. We cannot have development without equitable costs in that area. Without resolving the Aishihik question again, we cannot have that.

The Chamber sees a progression of events in that if the Government or the people of Yukon can see some end in sight on the Aishihik question, that the next step really would be that the Government of Yukon makes a move towards constituting a Yukon Power Corporation. We are run under a Federal Crown corporation now, there is no reason in my mind that the Federal Government should continue to run the affairs of the Northern Canada Power Commission. It serves the North, the Government of Yukon is more than capable of taking that away from them and setting it up locally so that it is answerable locally. That would make the Power Corporation subject to the

regulations of the Yukon Electric Public Utilities Board, which it is not now and it makes it very difficult for us to argue a rate increase case with the board when the corporation is not subject to the regulations of the board.

We have in the past argued against rate increases, but it does kind of tend to influence the situation a little bit.

That is the general trend of things. We feel, as Mr. McKay stated, that there is a lot more work that has to be done and there are some moves that have to be made before Electric Rate Equalization is taken any further. The provinces have electric rate equalization schemes, we know that. There are schemes in the United States, but we would like to leave the House with that and hope that we will see more on this.

Thank you, Mr. Chairman.

**Mr. Chairman:** Any Members have a question for the witnesses?

**Mrs. Watson:** Yes, Mr. Chairman, I agree with quite a number of the comments that were made by the witnesses, however, I would wonder whether any witness could answer my question on how the resolving of the cost over-run at Aishihik could affect the extremely high power rates that people pay in Beaver Creek or Destruction Bay or Teslin?

**Mr. Morrison:** Mr. Chairman, the first thing, if I can go about answering the Member's question in a roundabout way, the first thing that has to be done before trying to resolve the question of the power rates in Beaver Creek, which is one specific area, is that the power rates and the power situation in Yukon itself should be resolved and be on a very firm footing.

It is very difficult to take the case of Beaver Creek in isolation when all the users in the Territory are paying a rate which I say is inflated, as far as the wholesale rate that NCPC sells power at, if, in fact, the debt, NCPC's debt was reduced by X million dollars in regards to the Aishihik Project, then they would be starting from a realistic base and then the move could be made to work on the rates at Beaver Creek and Old Crow and other places in the Territory.

What I am saying is that Beaver Creek's rates might be ten cents a kilowatt hour in comparison to four cents in Whitehorse, but the real rate in Whitehorse should be two cents and the rate in Beaver Creek, in that case, perhaps should only be six cents and from there you are bringing them down.

What we would be doing by resolving the rates in isolation or without taking the whole situation into consideration is just bringing them down in ratio. It may be too high as it is.

**Mr. Fleming:** Yes, Mr. Chairman, I am very interested and I do not agree with the witnesses in some cases. They seem to be quite well informed as to the rates and everything in Whitehorse. I wonder if they could tell me what the rates were in Teslin.

**Mr. Morrison:** I can look it up for you. Would you like me to look it up, Mr. Chairman?

**Mr. Fleming:** I meant without the book, Mr. Chairman, thank you. That is good enough.

**Hon. Mr. Lang:** Mr. Chairman, I would like to direct a question to either one of the witnesses. They referred to the telex the Legislature just received. I think the same telex but just to a different Minister, I think we received the same one a year ago.

**Hon. Mrs. Whyard:** And the year before.

**Hon. Mr. Lang:** And the year before.

**Hon. Mrs. Whyard:** And the year before that.

**Hon. Mr. Lang:** From the context of what you people are saying, you are saying the Government of Yukon and the Legislature should not be looking at an equalization plan of any kind until which time we get a resolution of the Aishihik Project. Is that correct? Is that the basic principle that you were espousing here? This is what I gather from what you have said.

**Mr. McKay:** That is very much a part of it. We are also concerned about if there were to be an equalization, how it would be implemented. Going back to the first principle, we feel that equalization is sort of attacking the symptoms of a disease, if you will excuse the analogy, and that really the basic disease, NCPC, has never resolved all of its financial problems. You are trying to rectify a very difficult situation for all the Yukon, at the expense of one part of a community to another, rather than going after the main problem which is in Ottawa.

**Hon. Mr. Lang:** Then following that through further, as you know you referred earlier to the equalization fund that is set up, like the provinces, with a private utility company through their income tax and as you know in approximately one year's time, the fund will be broke. In other words, monies coming from that source will not be available. Is the Chamber at least at the present time, prepared to support the concept of the continuation of that equalization plan in the present form that it is in through the Government of the Yukon Territory, until which time the resolution of the NCPC comes into effect, if it ever does?

**Mr. McKay:** I think very definitely we are. It is interesting to note there that it appeared that some \$500,000 is going to be appropriated to go into that fund. This is coming from the general revenues of the Territory which is ultimately therefore being financed from Ottawa, which is interesting to note because previously the funds has all been coming from rebates of income tax, so it is just coming out of the general budget, which may or may not set a precedent for your equalization.

**Mrs. Watson:** Mr. Chairman, I realize that this equalization scheme is coming at a very bad time. As a result, the costs of power in the Whitehorse area have increased tremendously because of the NCPC Aishihik Project. Also, we must not forget that the power costs in the smaller communities on diesel generation, their costs have equally increased and I can understand the thinking behind the presentation and I can certainly understand the concern of the Whitehorse residents and the Whitehorse business community where you are looking at a 23 per cent increase on top of the increases that you had in the past few years.

However, I think we must also look at the Aishihik cost overruns and we are asking the Government of Canada, because of the cost overruns at Aishihik, that they should be using public money to pay for their mistakes, not to let the Yukon consumer.

Really, if the NCPC came and bailed out, if the Government of Canada bailed out NCPC for their cost overruns at Aishihik, this same consumer who is a Yukon resident and who contributes to those public funds that come from Canada, this same consumer at Beaver Creek and Teslin and Watson Lake, would not in fact be benefiting from that public money on his light bill.

Therefore, the reasoning that NCPC, the resolving of the cost overruns is the basic question I do not think is correct reasoning. I think the basic question is the fact that all communities, and particularly the Whitehorse area have just in the few, past few years, had substantial increases in their power rates.

It was most unfortunate that those of us who were in this House eight years ago or ten years ago or twelve years ago did not act on an equalization scheme when the Whitehorse consumers were getting their electricity at some of the lowest rates in Canada. But if we had embarked upon it then, we would have had the same type of opposition, because the Whitehorse consumer would have been facing larger increases.

Even though the Government of Canada does bail out NCPC, it would be very difficult for the Whitehorse consumer, the ones who are on hydro electricity who would say, okay,

now our rates are cheaper, now we have got to share them with the rest of the communities.

So, somewhere along the line, there is going to have to be, over a gradual basis, some type of equalization which is programmed so that some of the pockets of extremely high cost may have to be funded out of something like this rebate scheme and an equalization done where the difference to some consumers is not as great.

At this time I can certainly understand why the people of Whitehorse and the Chamber of Commerce are objecting to it, but by the same token, when is it convenient.

**Mr. Morrison:** Mr. Chairman, if I could comment on that, there are a couple of points I would like to address there that I think perhaps in my comments I was a little bit misleading in that I indicated that the resolution of the Aishihik question is all that is needed here.

What is really needed, in resolving the Aishihik question, the Government of Canada is going to have to resolve and refurbish NCPC. The Corporation, the way it does business today, cannot continue to provide electric power in Yukon at any kind of an equitable rate. A company has no development money, there is no provision anywhere to build a project without customers on a customer cost basis.

The Honourable Member raised a point that there are people on diesel and they pay the high cost of power and they really do pay a very high cost for their power, but in our points made earlier, I do not think the people in Whitehorse could argue that much on equalization, if brought in gradually as the Honourable Member suggested, but, hopefully, a total resolution of the NCPC question, in other words setting the Corporation up to where it can operate on a proper basis, would one day see electric power being generated throughout the Territory and not have some of the communities in the Territory remain on diesel generation.

That in itself, where at the point in time, may not bring the power rates down any, but at least it would make them subject to the one cost of producing hydro, rather than the cost of fossil fuel on the world market. There are more ramifications to the power situation in Yukon than just resolving the Aishihik question: the financing structure of NCPC, where and how they get financing. The whole gambit really lies in further future production of hydro power.

At this point in time, Yukon cannot afford production of hydro power. We cannot afford the rates we have now: we certainly cannot afford to pay for another dam, at least the few customers we have here. The Government of Canada is going to have to come up with something that allows us to develop power on a different basis than today.

**Mrs. Watson:** One more question, Mr. Chairman: would the witnesses agree that it would be advantageous to have an overall power policy and an equalization scheme eventually if the generation of power within the Yukon for all the Yukon was under one authority?

**Mr. McKay:** Mr. Chairman, we feel very strongly that a whole energy policy should be developed for Yukon. As pointed out by the Honourable Member, this would include the equalization of rates and the generation of power under a Yukon authority. This is just one more step towards responsible government. We are very much in favour of that kind of development where we can see a profit making institution being developed and run here for the benefit of Yukoners.

**Mr. Fleming:** Mr. Chairman, that was my question. I was going to agree with the witness on that. There is a lot more to do, because there is no way we can live under the situation we are today where NCPC can sell power to Yukon Electric, then they in turn turn around and sell it. I have said that over and over again. I think we should just forget that. We have to get under one authority one way or another.

I am wondering, the Chamber, in looking at the brief and considering it, on page four on the second paragraph where it says the most straightforward method by which gradual equalization could be accomplished would be to commence by equalizing rates up to a given level of consumption. I am speaking now of an overall policy where you start, but you do not equalize the total bill, you equalize up to a certain consumption. I am wondering what they considered, in this case, after some of these other things of course have been resolved?

**Mr. McKay:** Mr. Chairman, this is certainly one method, I believe that to a certain extent this is what is happening now with the rebate on the Yukon Electrical rebate.

**Mr. Morrison:** On the first 300 kilowatts.

**Mr. McKay:** There is a precedent for that. I guess our major concern is that it happens gradually. The mechanics are quite difficult.

**Mr. Fleming:** Just one comment, I think that is probably the right idea, but they are not going anywhere because they have not got anywhere with 300 kilowatts of power. Someone with a light bulb in his back room, that is all.

**Mr. Lengerke:** Yes, Mr. Chairman, I am not going to comment much further. The Member from Klauane has mentioned some of them, and certainly I would just like to say though that it is not a case of Whitehorse saying that we do not want to have rate equalization. I do not think this is the case at all.

I think the residents in Whitehorse are just as concerned about the outlying areas as anybody and they certainly would like to extend the benefits of equalized power to the overall Territory if at all possible.

I think the situation is, and Mr. Morrison did certainly emphasize it, that we must resolve the NCPC situation first. I think this is what, certainly I have been, over three years been standing up in this House trying to get some action with respect to that particular matter, as most other Members in this House have.

I think that is really the situation, that we must get a baseline set and determine so that in fact we can look at other measures. Certainly, if we are not going to resolve that, then we are going to have to bite the bullet and take a go at rate equalization. We are going to have to fund that fund from other sources and the people are going to have to pay, there is no doubt with respect to that at all.

I do have a question of the witnesses, though. They did mention the mining industry and the fact that it was not addressed in the rate equalization paper, other than very casually. I am just wondering if they have any thoughts on the type of equalization that you would provide to industry, if you would in fact do that? Would you look at equalizing the rates to industry as a whole, or would it have to be on a specific basis?

**Mr. McKay:** I think, Mr. Chairman, on that question that each mine is such a significant customer of NCPC or Yukon Electric, that I think these things are negotiated individually and that we have seen some provisions to the Anvil agreement, I think, in the last year or two, to cover some areas that had not been thought of before.

The continued negotiation of things individually would probably be the only fair way.

**Mr. Lengerke:** Thank you.

**Mrs. Watson:** Mr. Chairman, one more question: has the Chamber given consideration at all to the-- I know you have to a Yukon Power Authority, and a power policy, a power development policy for Yukon and the fact that Yukon is, in itself, very short of capital funds. Has the Chamber of Commerce given any consideration that Yukon utilizing that \$200 million line of credit that might be established if a pipeline comes, for a hydro authority to alleviate the situation on a long-term basis as a beginning of doing this?

**Mr. McKay:** The Chamber has always wondered what the \$200 million is going to be spent on. Nobody has ever defined it as far as I know and it was a figure that came up in Lysyk and various other places and there presumably are a lot of impacts to be funded.

I do not think a \$12 million recreational centre is necessarily what I would see as the best use for that. I would like to see it invested in types of things that would, in the future, generate capital and income for the Territory. As I say, I do not know what plans are already on hand for \$200 million and how much of it — beg your pardon?

**Mrs. Watson:** Mr. Chairman, my question was has the Chamber specifically, would they be prepared to make this type of a recommendation on behalf of the Chamber regarding the utilization of the \$200 million?

**Mr. Morrison:** Before we make any recommendations—

**Mrs. Watson:** Not from you in the Chamber.

**Mr. Morrison:** No, we would like to wait and see what the Minister says next month when the Cabinet document comes out. That is an interesting concept, there are ways and means of financing large scale hydro projects without financing them on the basis that if say for instance we built a 500 megawatt power dam that the people of the Yukon Territory would be required to pay immediately that the key is turned there, we would have to start paying for the total cost of that project.

There are many, many ways the Government of Canada who control the Northern Canada Power Commission could set up financing, so that project—for instance perhaps we could only find use for 50 megawatts of power on a customer basis, but perhaps we think we can sell the rest, but we need a little time once it is in.

There is no reason the Government of Canada cannot set up that scale where we pay on a use basis, that we are paying for megawatts. When we use 100 we would be paying for 100, when we use 200 we begin paying for 200. That is the kind of thing they could do.

Now, take the \$200 million. Of course they could do that, they could do anything else, they make up the rules. They determine who pays and how much we pay. They can decide that we do not have to pay, but whether they will do it or not, Mr. Chairman, is another thing. There are schemes there if they would consider them, that is all.

**Hon. Mrs. Whyard:** Mr. Chairman, I find this very interesting to hear the spokesman for free enterprise saying that government ought to do this and that.

**Mr. Morrison:** I did not say they should do that, I said they could do that.

**Hon. Mrs. Whyard:** Mr. Chairman, I would like to pose a hypothetical question to the representatives of the Chamber. That is that we all agree, I think we all agree, that no government should be in business where there is a competent agency of free enterprise to do the job. It is my understanding, and I was around 30 years ago when some of this happened in the Northwest Territories, that the Northern Canada Power Commission was established to provide hydro electric power in areas where there was no one else to provide it to people going north to live.

Mr. Chairman, the conditions have certainly changed since that time. Now we are in another place with people in a position to provide power. I would like to ask the witnesses, Mr. Chairman, if they were sitting in Ottawa, which is apparently the seat of the mighty, whether they would now say look, it is no longer necessary to have a Crown corporation in this area. Having made that decision, how would you go about getting rid of Northern Canada Power Commission?

**Mr. McKay:** It is a very interesting hypothetical question. Obviously you would sell it to the Yukon Electric. That would

be one way of getting rid of it, if that was most desired, if Yukon Electric wanted it. That I doubt somewhat, because the difficulties that are involved in a frontier area developing its industry, the high risks that have to be run to build a power project, as alluded to before, of some magnitude that may not have all the customers available for it when you finish it, they are quite large.

It would seem to me that while Yukon Electric is doing an extremely efficient job in their company here, they may not want to take on the responsibility for developing power for the North as part of their private enterprise schemes.

**Hon. Mrs. Whyard:** Is the Chamber then telling us that they still see a need for Government participation in the provision of power in the north?

**Mr. McKay:** I think it is very difficult to see it otherwise, simply because, as I mentioned before that while we would like to see as many things done by private enterprise as possible, we also recognize that some certain areas like utilities and, in most places, railroads, seem to fall under the ambit of being a pre-development necessity. Somebody has to put up some risk money somewhere in order to provide the impetus for further development.

They are prepared to do that on the basis that they will get back higher taxes later on from the profits of these enterprises. That is why I think Government is involved in hydro right across the country.

**Hon. Mrs. Whyard:** Mr. Chairman, then is the witness implying that there is another way to do this, such as government's participation in the petrochemical or search for oil and gas, rather than running the show as a Crown corporation?

**Mr. McKay:** This is a very interesting discussion. I think the Petro-Canada Corporation was perhaps formed more to monitor the oil industry than to get into it in a big development way.

So, I cannot quite see the analogy, but I do agree that there are other ways, perhaps, of doing it than just straight government doing it. Maybe private enterprise can handle the funds more efficiently and build a dam cheaper, because they have got a profit motive involved.

**Mr. Chairman:** I wonder if I could bring the Committee back into reality.

**Hon. Mrs. Whyard:** I enjoyed it, I enjoyed it.

**Mr. Chairman:** Are there any questions dealing with the material that the Chamber has brought to us or the application of this paper? I would be willing to entertain some more questions, but let us not have any more about, you know, daydreaming about what might happen if the government said that we would not have to pay anymore electrical rates.

**Mr. Lengerke:** did you have something?

**Mr. Lengerke:** That is fine, I will wait, I will save my—

**Mr. Berger:** Mr. Chairman, I really do not have a question, but I cannot let the Honourable Member from Riverdale get away with the statement saying that Whitehorse people are concerned about people in the outlying areas.

I personally made a motion in this House, in the old building, three years ago, suggesting exactly the same thing that the Whitehorse people are concerned about right now, equalization of rates in the Territory. It was the Members of Whitehorse that turned me down at that particular time.

It is only now that the Whitehorse people, and I suggest it, Mr. Chairman, are really concerned about rates, power rates in the Territory because it affects their own pocketbook.

At that particular time, Mr. Chairman, Dawson and Dawson even right now pays the highest rate in the Territory besides Old Crow, or rates, electricity rates. Dawson, and other areas in the Yukon Territory demand a solution of the problem now,

not when Parliament gets around to coming up with a solution to the NCPC problem.

I agree with a lot of things that are being said right now and I could take it a step further but we want a solution now, not in ten years from now because the possibility that Dawson City is ever going to be hooked on a grid system in Yukon, I would suggest is about 20 years away in reality.

The problem is always going to be there, unless we are going to equalize the rates all through the Territory on an equal basis.

**Mr. Chairman:** Well we are getting into the realm of discussion now. I think we will excuse the two witnesses because we are not really dealing with what they presented to us and we will call Mr. Pearson down from the Electrical Public Utilities Board.

Thank you, witnesses. Mr. Pearson, who is known to all of us is appearing as a witness in connection with this particular paper. I am sure he had a great deal of input into it.

Would you like to make a statement first, Mr. Pearson, or just throw yourself open to questioning?

**Mr. Pearson:** I do not think so, Mr. Chairman. The paper was produced as a result of representations made to the Board, particularly by Dawson City, the people of Dawson City, on numerous occasions. Everytime they came before the Board they asked that we look into the matter of electrical rate equalization as opposed to the subsidization plan that now exists.

We felt that we had the expertise in our consultants to do a preliminary paper. This is the result of it. The Board feels quite strongly that a decision of this magnitude is a policy decision, and not one that falls within the scope or the mandate of the Board. Hence, we felt that we had to forward it to the Commissioner in hopes that he would table it in the House.

**Mr. Lengerke:** I have a question for Mr. Pearson. I am wondering if he agrees that this is really a preliminary study or review, and other studies are going to have to be made. I think even in your covering letter you said this. I am wondering what other detailed studies do you see having to be undertaken? Have you got any specific areas in mind?

**Mr. Pearson:** Oh, certainly. One of the major things, yes, I hope we made it very clear that this is just a preliminary study. We are dealing, to start with, with ballpark figures. The price per kilowatt hour for our electricity, the prices that we quote in the report, are not recognizable for any community because they are in fact average prices based on what we have been able to ascertain as the average use in that community.

An example: Whitehorse, the average use that we use is 1,400 kilowatts per month. Some houses use 1,800, some only 900. We had to strike a balance. The rate, therefore, is based on 1,400 kilowatts per month.

Dawson City, the rate is based on 900 kilowatts per month, the average. Old Crow, the rate is based on 700 kilowatts per month. So it varies in every community. We were just dealing with ballpark figures.

The other major factor that this report does not cover is the funds that are now being expended on the subsidy plan. If that money was put on to the top of this thing, it would make quite a difference to all of the figures, but to come up with a final plan is not something that can be done by our Board. We have not got the expertise to do it.

I would suggest that probably the expertise would have to be hired from one of the provinces, where they have equalization plans. But you must not confuse this suggestion with the subsidy plan, which is an entirely different thing and is not considered in anyway in these numbers. It is not in there at all.

**Mrs. Watson:** Mr. Chairman, that is the one thing that I noticed in this scheme and, of course, it is a very rough preliminary one, that they did not even consider, not the amount of money that we are using today in our subsidy, but the amount of



money that we have coming under 95 per cent of the corporation income tax paid by Yukon Electric.

Mr. Chairman, would the witness not agree that before any equalization scheme would have to be finalized, and when you go on into further studies, that there would certainly be a justification for identifying in that equalization scheme, the use of that 95 per cent rebate of corporation tax?

**Mr. Pearson:** Oh, yes, I do not think that you could make an equalization scheme in Yukon work without allocating specifically that 95 per cent rebate from Yukon Electrical's tax, and any money that this House might wish to put into the fund.

As a Board, we have never done anything in relation to the subsidy plan because we have always felt that this was something that could come or go. It could be changed at any time, we had no control over it at all and as a consequence, we do not consider it in any way in our deliberations. We are dealing strictly with the electrical rates that have to be paid to NCPC and to Yukon Electrical.

We are primarily dealing with the bottomline figure, how much money total they are going to get each month.

**Mrs. Watson:** Mr. Chairman, then that is interesting, that you are involved with a bottomline figure. Does the Utility Board become involved in the actual setting of rates of the distribution of that cost, as it is allocated to various classes, various classes residential and commercial and also the first 300 kilowatts pay so much and so on?

**Mr. Pearson:** Yes, we have not had any input at all into the first 300 kilowatts thing. As I am sure you are all aware, that was a policy decision of this House, that the first 300 kilowatts would be subsidized and I submit cannot be changed without another decision of this House.

What the Board is suggesting in this paper is that if equalization is going to be considered, then this House is going to have to make another policy decision to make it happen.

I agree there are going to have to be all kinds of studies on it first, but I would suggest to you respectfully that the first thing that would have to be done is a decision would have to be taken by this House as to whether or not equalization is something you wanted to see in the Territory.

The Board deals specifically with rates in specific communities to a large extent. There is a certain amount of equalization in Yukon now. It has been accomplished over the years, both by Yukon Electrical and NCPC, sort of equalizing rates between communities prior to the Board being set up. We have continued along that policy. There are differentials that have been maintained and we continue to maintain them.

One of the criteria that the Board sets rates on is costs of service in a community. All communities do not pay the same amount of their cost of services, just like in this report there is nothing about the industrial users because once again, the industrial users, their rates are set on an entirely different basis.

It is another criteria that has to be considered in any equalization plan. We have assumed in these figures that are in here that we will have an equal or a proportionate amount of industrial sales generating a proportionate amount of revenue as is presently the case. In other words, if one mine closed down and the overall or the bottomline revenue picture changed drastically, that would have tremendous effect and impact upon an equalization plan.

The suppliers, both Yukon Electrical and NCPC, are primarily interested in the bottomline figure. They do not really care where we get the money for them from. They do not care how we ask them to collect it. All they are interested in is that bottomline figure.

**Mr. Lengerke:** A question I am interested in, Mr. Chairman, is if the Chairman could tell me, As the amount of money, amount of corporate tax that Yukon Electrical contributes or

paid into the subsidization fund, has it varied significantly in relation to the reported gross revenues in the last few years?

**Mr. Pearson:** I have to be careful with this one, Mr. Chairman. One thing I can say is there has been a significant change in the final dollars, because Yukon Electrical's profit margin has been considerably reduced because of decisions made by the Board. We are sort of in a dog-chasing-the-tail thing in that probably the Electrical Public Utilities Board had more to do with the subsidy scheme near going broke than anything else. It is simply because we have not allowed Yukon Electrical to make excessive profits in the past four years. As a result, they do not pay as much income tax, and as a result, the Territorial Government does not get as much money back from the Federal Government on the rebate.

**Mr. Lengerke:** Mr. Chairman, it may be a dangerous question as well, but by virtue of the Electrical Public Utilities Board putting this kind of pressure on Yukon Electrical, and you are saying the profits now, at least on the books, have been shown to decrease, but is not this a fact that by virtue of what type of bookkeeping system you use, you can certainly alter that profit picture considerably?

**Mr. Pearson:** Yes, but Mr. Chairman, the Government of Yukon Territory pays large sums of money each year to a very competent, I think, very competent accounting consultant firm in Vancouver, on behalf of this Board and its major function is to ensure that Yukon Electrical's books are being kept in a proper manner to properly and truly reflect their gross and net earnings each year. It is, I think, our major function.

**Mr. Lengerke:** Good.

**Mrs. Watson:** Mr. Chairman, to the witness, the rates that were used in determining sort of a partial equalization, or an equalization scheme, or preliminary one, were rates that we are now being charged in these communities and yet, those rates in themselves, in some instances, reflect to a certain degree some equalization between communities.

Would it not be a truer form of equalization if we, rather than using the rates charged, that we use the operational costs of each of these installations and then averaged it out with the number of consumers in each community?

**Mr. Pearson:** Mr. Chairman, I would suggest that we would then be going the other way, because the cost of service in a community such as Beaver Creek or Carmacks is terribly high for the number of customers that they have.

I hate quoting figures off the top of my head, but I would suggest that in Carmacks, users in Carmacks pay about 60 per cent of the cost of service, whereas in Whitehorse they pay 98 per cent, whereas Cypress Anvil Mines pays well in excess of 130 per cent, and so does United Keno Hill Mines.

So, where you have the smaller communities, it is really the smaller communities with the fewer customers and the diesel generation where the costs get very, very high.

Hydro power is cheaper than diesel power, no matter how you cut it.

**Mr. Fleming:** Mr. Chairman, does the Board have a picture of each community, a separate picture of each community and what the actual cost and the actual kilowatt hours used and so forth and so on?

**Mr. Pearson:** Oh, yes, we have all of that information, yes.

**Mr. Fleming:** Is that information available?

**Mr. Pearson:** Certainly, any time. We are your Board. We can give you anything at all.

**Hon. Mr. Lang:** Mr. Chairman, earlier, in the comments by the members from the Chamber of Commerce, they mentioned the fact that NCPC was not subjected to, by law, to decisions made by the Electrical Public Utilities Board, which is correct under law.



Now I understand it is the procedure of NCPC to go before the Electrical Public Utilities Board. Has NCPC ever brought down an increase, if the Board recommends that an increase be negated by two or three per cent or whatever?

**Mr. Pearson:** No, Mr. Chairman, except for this past one, the one on April 1st, and I would suggest it is partly the Commission's fault and partly ours, we have not acted upon the last increase. We have in fact issued them interim approvals indicating that everything we could see at that present time justified them getting a rate increase.

We have in fact requested, because we must, that they change some of the rates and they have done this. What we have had to do when requesting that these rates be changed, is if we were allowing them in one community, we would have to increase them in another to ensure again that NCPC got the bottomline number of dollars that they anticipated that they needed, or that we agreed with them that they needed to operate that year.

We had not come to a point of confrontation with NCPC yet on the actual number of dollars they anticipate needing each year.

**Hon. Mrs. Whyard:** Mr. Chairman, I wonder if Mr. Pearson could inform me whether that is the same method being used in the Northwest Territories regarding roll back of rates by NCPC?

**Mr. Pearson:** I am not absolutely sure, because I have not heard entirely. I have had a couple of conversations with them, but I think yes that is true. What in fact is happening in the Northwest Territories is because of representations, the Board in the Northwest Territories went on a series of hearings this year to every community. Because of representations made to them, have determined that the differentials that have arbitrarily been set in past years by NCPC are not fair in some cases and therefore have therefore asked NCPC to reduce rates in some communities. NCPC is saying well that is fine, we will be happy to do that, we will charge whatever you want to charge, in X community, as long as you tell us which one of the other 'a' to 'w' communities we can pick up those funds in.

**Hon. Mrs. Whyard:** Mr. Chairman, I took the opportunity of asking that question because I think the opinion is fairly well entrenched by readers of the papers from NWT that they have a Board over there that tells NCPC where to head in and we have not. I would just appreciate the fact that they have not exactly done that.

**Mr. Pearson:** No, I do not know that—I would doubt very much that the NWT Board gives NCPC any worse time than we do, or that we are any easier on them than they are. They use exactly the same method as we do. They have another consulting firm, a different consulting firm than we have, who do exactly the same exercises for them as our consulting firm does for us.

At some stage of the game maybe there will be confrontation between the Utility Boards and NCPC, I just do not know at the present time.

**Hon. Mrs. Whyard:** Mr. Chairman, at this point they have no more authority than we have.

**Mr. Pearson:** None whatever.

**Hon. Mrs. Whyard:** Thank you, Mr. Chairman.

**Mr. Pearson:** I must say that NCPC has been very cooperative with the Board here always. They have just made it clear that when they submit a budget to us, that bottomline is the number that they feel they need.

If we can, and we have had them change their preliminary budgets, because we have disagreed with what they estimated they are going to have to use in a year, and they have changed them but that is strictly a negotiation thing. It is not an order like with Yukon Electrical, if we find something wrong with

Yukon Electrical, we can order them to change it. There is no ifs, ands or buts.

**Hon. Mr. Lang:** Has the Board made a decision of whether or not they are going to have public hearings to discuss the next increase that is due, which is, I believe, 7.2 per cent.

**Mr. Pearson:** That increase has already been put into effect.

At the present time, with what information we have so far from our consultants, it does not seem likely that we are going to find any need to have a public hearing and we have not received representations from anyone in the public coming up with anything of a substantive nature.

The Board, last year, decided that we had pretty well heard all we could ever listen to on the Aishihik question, have determined that we, as a Board, have done everything we can in respect to trying to get the Federal government to do anything in respect to Aishihik. We made a report to the Commissioner of Yukon respecting Aishihik. It was a very extensive one, three years ago and this is the reason that we have held up NCPC rate increases in the past, that we have not approved them finally, is strictly because of the Aishihik thing.

We now feel that we just have to get on with living in the Territory and let Aishihik fall wherever it may.

**Mr. Fleming:** Yes, Mr. Chairman, I wonder if the Board could inform me as to how they feel about the actual program today, where it is a tax, taxes coming back from the Federal government, in the light that the company, possibly, could, and I think this is true, that they could come up with no income tax whatsoever, some year. Not, only maybe bookwork, as the Member from Riverdale spoke of, but also by expanding the company, by buying new assets and so forth and so on, to come up with no income tax at all.

What does the Board feel about this situation? Do they think it is a viable scheme that we have at all now?

**Mr. Pearson:** Mr. Chairman, we have not ever, as a Board, discussed this, the subsidization, the subsidy scheme, just because we have felt that we have no control over it and nothing to do with it at all. I am sure you would not be interested in my personal opinion about it.

**Mrs. Watson:** Mr. Chairman, would an equalization scheme have to have the full co-operation of both the NCPC and Yukon Electric to truly make it successful?

Would it be advantageous to have a true equalization scheme from both the Government of the Territory and from both the Yukon Electrics, particularly the NCPC's point of view, if we had franchises in the Territory that all expired on the same date?

**Mr. Pearson:** I sort of anticipated that question. Franchises do not really have anything to do with it, because the rights are in the franchises. Electrical rates are not part of this.

**Mrs. Watson:** No, but planning for the future sure is.

**Mr. Pearson:** Pardon?

**Mrs. Watson:** But the planning for the future sure is in the rates.

**Mr. Pearson:** Oh, yes, oh yes. As for the cooperation of Yukon Electrical and NCPC, I am sure that, yes, we would need it, and it would be forthcoming. I am absolutely positive of that, again, because both companies are in business, and they are really only interested in that bottomline. If the Board, in the case of Yukon Electrical ordered, and in the case of NCPC requested, that the rates be double in Whitehorse and nobody else in the Territory be charged anything, they would start it tomorrow. As long as we could show them that they were going to get the right number of dollars at the end of the year. They do not really all that particularly care where they come from.

**Mr. Chairman:** Any further questions?

**Mrs. Watson:** Mr. Chairman, the witness does not have to

answer this if he does not want to. Is it not almost obvious that the heavy costs per kilowatt hour are charged to the first 300 kilowatts?

**Mr. Pearson:** No, it is not obvious. One of the things that we watch very, very closely, is what is commonly called front-end loading, because of the subsidy scheme. We try to ensure that that does not happen. We do not think it is happening. Mrs. Watson.

**Mr. Fleming:** Mr. Chairman, the witness might have an idea of how I feel about this. I am just wondering, the demand charge, of course I think in a city like Whitehorse or a big construction thing I can see this, but what, if the Board does think of these things, what do they think of the demand charge in a small community where there is 150 people or 200 or 300 people and there is ample power there to supply that demand charge, without all this idea of you might be overloaded and everything else, and the demand charge is really, as you probably very well know, what kills the people in the outlying districts in business of any kind. Is there no way to get around that particular item?

**Mr. Pearson:** Yes, Mr. Chairman, it can be got around, but it means an increase in kilowatt hours. The demand charge guarantees the supplier a certain amount of revenue. I am sure they would expect that guarantee in the form of increased charges if it was done away with. It is a question that we face every year and is a very, very difficult one, what to do with demand charges, because it becomes very significant.

**Mr. Chairman:** Any further questions of this witness?

**Mr. Lengerke:** I do not know how much it relates to this particular paper, Mr. Chairman. It does relate certainly to the rate equalization. It is a question that I would like to ask. When you are talking of electrical rates in Yukon, rate equalization, you have to look at the number of customers that you serve, depending if you are NCPC or Yukon Electrical or who. I have a question, I am wondering what is the situation with respect to the extending of power to the Marsh Lake area, to the Teslin area, to those areas that have been under debate by NCPC and Yukon Electrical? They cannot really figure out who is going to serve those areas. What is that situation to date?

As I say, I realize that it goes a little far from the paper, but certainly I think any of the utility companies should be looking at trying to serve as many customers as is feasible. I know that is feasible and I know a great deal of money has been expended to date already in an effort to try and provide some service. When are we going to see that?

**Mr. Pearson:** Well, I am not too sure, Mr. Chairman. As a citizen, I think probably I would be looking to a franchise system to determine that. It is usually a function of a franchise to say who is going to distribute the power in what area.

We are lacking some franchises at the present time. It again is a concern of the Board and it is one that the Administration is well aware of and is working on.

**Mr. Lengerke:** Are there any applications for that particular franchise before the Board right now?

**Mr. Pearson:** There are no applications for franchises before the Board at the time.

**Mr. Chairman:** Anything further?

The witness is then excused.

**Mr. Pearson:** Thank you.

**Mr. Chairman:** Is there any general discussion of this paper then, to follow? Would anybody like to comment or are there any resolutions forthcoming or acceptances or whatever?

**Mrs. Watson:** Yes, Mr. Chairman, I do not think that, after the preliminary work has been done that we should leave it at this stage.

I do not think that anyone is really in a position to completely

make up their mind with such minimal information available. I would like to have the ability to bring in some resolution tomorrow, it is not ready, so that we can advise the Government that we want them to do some follow-up work on it for further consideration so that, in fact, a decision may be made in the future.

**Mr. Chairman:** Very well. Is Committee agreed that we will resume discussion of this paper perhaps tomorrow, at which time there will be an opportunity for Members to discuss a resolution?

**Hon. Mr. McKinnon:** Mr. Chairman, if the resolution came in the House—

**Mr. Chairman:** Or we could do it in the House.

**Some Members:** Agreed.

**Mr. Chairman:** I will now declare a brief recess.  
*Recess*

**Mr. Chairman:** Would Committee please come to order.

If there are no objections, we can deal with the green paper on Decentralization. Previously, there had been some desire to postpone it by Mr. Berger and Ms Millard, but I wonder if they are prepared to go ahead with it today.

**Ms Millard:** I am prepared, Mr. Chairman.

**Mr. Chairman:** The green paper on Decentralization.

Has anybody anything to say about decentralization?

**Ms Millard:** Yes, Mr. Chairman, I do. As a matter of fact, I have been saying it often and so have many other people in this House.

The subject and the word "decentralization" has been around now, actually since 1973, I just discovered, in the Government. There was a policy directive, November 15, 1973. The scope of the directive is supposed to be implemented by all department heads.

It is a policy of regionalization and they really interchange, the concept of regionalization and decentralization, which actually are quite separate concepts, but at least is halfway to decentralization.

I do not really feel that this regionalization policy even has been implemented to any great extent. I think it has in the Department of Highways, but not in any of the other departments.

It states that the policy, there is a map attached, and it says "when department operations reach a level of service wherein the decentralization of its activities becomes necessary for purposes of efficient government administration, the department should make every attempt to employ the regional boundaries so established".

Well, that is part of the concept of decentralization, I think, is efficiency. Direct communication with the regions, but also, the concept of decentralization as it has been discussed here, of course is to help stimulate the local economy, to move away from the heavy costly bureaucracy of a central government, which actually seems to grow on itself, almost, to the point where it becomes more expensive than it is efficient. That was a surprise to me that the Government had actually discussed this and come out with a policy in 1973.

In 1976, the City of Dawson began to send letters around and we have been discussing those over the past year and a half in this House, things that have been discussed over and over and over again here. It is really coming to the point where the Government needs to make a political decision on the whole concept of decentralization. It has been endorsed by the Association of Yukon Municipalities, it has been endorsed a couple of times by motions in this Legislature, and it is really time now, especially since the Green Paper has done a thorough study of the actual implementation of decentraliza-

tion in Yukon. It is time now for the Government to make the political decision of whether or not they are really going to endorse this.

I feel the Green Paper is quite good. There is much in it that needs to be really studied and expanded upon. To that end, I am following up on one of the recommendations of the Green Paper, and I am proposing a motion moved by myself and seconded by the Member from Kluane, that the Government establish a Decentralization Committee whose responsibilities would be as enumerated in the Green Paper on Decentralization, and that this Committee report back to the Assembly before dissolution of the Assembly.

Mr. Chairman, the Committee is described in the Green Paper. I think there could be some debate on the structure of the Committee, and I would look forward to that. In discussing the Green Paper with the people who wrote it, it was clear that no one really has the idea of how the Committee should be set up and perhaps some recommendations from this debate could be taken into consideration.

There is a description, the pages in the Green Paper are really rather strange, but it says on page 6, it is not really the sixth page, but: "It is recommended that the members of the proposed Decentralization Committee consist of the Executive Committee, the Treasury Department, Public Service Commission, Department of Highways and Public Works, Department of Local Government," those being the departments which would be directly involved in any kind of decentralization. There could be some debate on whether or not the Executive Committee should be so directly involved, or whether there should be a committee which makes recommendations to the Executive Committee and they act upon it, or whatever. I would really enjoy discussing that possibility of setting up the Committee and deciding what sort of committee it is going to be.

I think the objects of the Committee are pretty clear in the Green Paper. I feel we could endorse those with no problems. That is on page 2 of the Green Paper.

Pardon me, page 4, number 10, it is recommended that the decentralization committee have responsibilities which would include identification of the most desirable relocation sites, negotiation with the staff involved to determine who is willing to be relocated and under what conditions, and (3) to realistically assess the incremental costs involved and make the necessary budgetary changes; (4) to develop a plan for full implementation that would consider the buildings required, housing and other capital equipment and the actual timing of each move.

I think that this gives the committee pretty well free rein to thoroughly understand what decentralization is and make a good recommendation to the Government on whether or not it should go ahead on it.

**Mrs. Watson:** Mr. Chairman, I have no problem in seconding this motion whatsoever. I know that many of these things you sort of wonder what is the next step and the Government, I do not know what branch, I imagine it was the Socio-Economic Planning Branch of our Government, or the Economic Planning Branch of our Government, Economic Research and Planning Unit, prepared the report and they have done a lot of work.

I think that we should be giving some indication of what direction we want to go from here. As the Honourable Member from Ogilvie said, that it is a political decision, but a political decision which must be based on more facts.

I think that on page 4, Item 10, which specifically identifies the functions of the committee, it might be a little misleading in number 2: "identification of the most desirable relocation sites". I think a committee of the Government could do this, because they are suggesting a committee of the Government,

and as the Honourable Member from Ogilvie said, some of the people here may have misgivings and want other people besides Government people on it.

But number 2 gives me a little bit of problem. I do not think we would them to go to the extent of negotiating with the staff. I think the idea is more to poll a staff to see if, say it was Tourism that was, would the committee then poll the staff and see whether in fact they would be opposed to relocating and if they were prepared to relocate, under what conditions rather than using the word "negotiate". I think that is almost a final thing.

Number 3, "realistically assess the costs", and then 4, "to develop a plan for implementation", a timetable and then a decision can be made do we go with it or not.

The background material is here and I think this would be the next step and I would hope very much that it would be possible to have some of this information before this—that the committee at least report the dissolution of this Assembly.

I think that the Honourable Member from Ogilvie and the Honourable Member from Klondike are very much concerned that if it is left again, that it will take another four years to really get rolling again and then it is left again because it is too close to an election.

It might be a very good indication of our sincerity, and I do mean sincerity, in facing this problem and ask to have that report before this Assembly before its dissolution.

I would completely agree with the motion but I do not know whether it is necessary to have an amendment or just indicate in the debate the somewhat misgivings about the use of the words "negotiate with staff".

**Mr. Lengerke:** Mr. Chairman, I have no difficulty with the Resolution, with the qualification with respect to Clause 10.(2). Certainly I agree there should be no negotiation with any staff. That has been covered, I would have no problem showing some intentions.

I do think that the whole subject of decentralization is going to be certainly discussed and policies are going to be formed now that we are approaching another Yukon election. I think part of any party's platform will be the subject of decentralization. Decentralization is a great idea, an excellent idea, and I am in full support of certain aspects of it but it must coincide with really a plan or strategy for the development of Yukon on a long range basis, and not on a piece-meal basis. Regardless if you want to do some good for the people in Dawson or you want to do some good for the people in Faro or wherever, I think you have to realistically look at those areas and define if in fact your policy is going to continue to be one where you are going to promote those particular areas as growth centres or not.

You could very well move departments to some of these places, again, on a piece-meal basis, and then in a few years' time be faced with the problem of having to relocate them back somewhere else. It has to be intertwined with an overall development policy. I think that it is very, very easy to talk about it, and to put forth these ideas, but good Lord, I think it gets back to the political arena where really and truly a government, whoever it may be, will have to have a long range policy in order to reflect proper moves of decentralization.

I will vote for the motion with the fact that 10.(2) is again, it is interpreted differently, where the negotiation with staff will not take place. Certainly I do not know how you are going to do 10.(4) to develop a plan for full implementation, but however it will be very interesting to see what the Committee does come up with.

**Mr. Berger:** Mr. Chairman, I have a problem with the resolution put forth by the Honourable Member. I think we should have a look, specifically in Dawson, this is where the whole thing started from. Right now Dawson faces an expendi-

ture from the Capital Assistance Program of \$6 million for a water and sewer system. The Honourable Minister of Highways was quoted and wrote a letter to the effect that he cannot justify, maybe by next year or the year following, much less money for running a ferry on a 24-hour basis because the taxpayers in Yukon would probably object to the thing. I think there is more justification in saying maybe the taxpayers in the whole of Canada may object to spending \$6 million in Dawson City, unless this Government is willing to give it an economic base to show that Dawson City is not only there for summer operation of three to four months as a tourist operation, but the rest of the year, the eight months following, is there with another economic base to justify the existence of Dawson City.

As it stands right now, this Government is the only one that can give Dawson City an economic existence. There is no mining operation going on in Dawson City. Clinton Creek is closing down and I do not want to get into the argument of why Clinton Creek is closing down, but the fact of the matter is that Clinton Creek is closing down and taking some of the economic base away from Dawson City.

I think I have to emphasize again that it is this Government only that can give Dawson City an economic existence on a 12-month basis. I think this is the argument was that all Dawson people are bringing forth right now, for this Government to take a serious and a hard look at decentralizing some of the departments.

It is just like crying after spilled milk. The capital, as far as I am concerned should never have been moved from Dawson City, because Whitehorse would have grown anyway. But this happened over 25 years ago.

I think we have to look at this thing again, to build some other buildings in Dawson City, to bring another maybe 100, 150 people in Dawson would make a big difference. The people in Whitehorse would not even feel those people leaving here, because there are going to be other people coming in but it would create a large economic base in Dawson City.

**Mr. Chairman:** Anyone else have something to say about this green paper?

Resolution, moved by E. Millard, seconded by Mrs. Watson, that the Government establish a decentralization committee whose responsibilities would be as enumerated in the green paper on decentralization and that this committee report back to the Assembly before dissolution of the Assembly.

Any discussion of the resolution?

Shall the resolution carry?

*Motion agreed to*

**Mr. Chairman:** That will then conclude our discussion of the green paper.

**Mr. Berger:** Before you eliminate the green paper, I am just wondering at the silence of the Government side. Is this an indication of a complete disagreement of what the resolution of what the resolution stands for or what the green paper stands for? Or is it an indication of partial agreement?

I would like to hear somebody. It is fine to just sit there and be silent about the whole thing.

**Mr. Chairman:** It is the Government's paper.

**Hon. Mr. McKinnon:** Mr. Chairman, we could have gone on and debated that *ad nauseum* and *ad infinitum*, a paper which we presented with suggestions in it, which we hoped that the Honourable Members would support.

Now, if Honourable Members want me to bore them silly with an hour speech in support of the green paper and the motion, I am prepared to do exactly that. But we thought that we would allow for the expeditious business of this House, Mr. Chairman, which all Honourable Members seem to want this Government to do.

**Ms Millard:** Mr. Chairman, one thing I was looking forward to was the Executive Committee's point of view on whether or not they should be part of that committee, because I think that committee is going to be a central core of consensus of whether or not this is actually going to be implemented.

I would like to know whether or not they feel that they have got the time to do it and whether that committee should report to them and then they act on it. I would like to know their opinion on it.

That is when the decision will be made and that is when the decision will be made by all Members of this House standing up and saying yea or nay to such a move. It is as simple as that.

**Mrs. Watson:** Mr. Chairman, while this is true, a government has to make a decision to set a priority on that to put it in the budget. That is where the basic decision has to be made and had there been money in the budget this year for decentralization, for establishing some branch offices even in Dawson City, then a realistic decision could have been made. It was not in the budget, and this is where the Government, and this is where Members from Dawson have some problems. A Government has to be committed to an implementation of a program.

Now I can see where more specific information is required. But then for the budget of 1979 if any government is committed to the research work, then they are going to put in phase one of the implementation of it. That is where the crunch comes: whether the government puts it in, not who votes for it.

**Hon. Mr. Lang:** Mr. Chairman, I would just like to make one comment in respect to what the Honourable Member has referred to in the last budget that was passed through this House here approximately three weeks ago. If one analysis the capital money that was spent in respect to facilities in the outlying communities, the L.I.D. of Haines Junction and the L.I.D. of Watson Lake got top priority in respect to extensions to their schools. As you know, as far as attempting for decentralization, the concept of the Administration Building for Mayo could not be done this year because of the lack of capital money. So in the final analysis, Mr. Chairman, it is all going to come down to go through the philosophy and all the rhetoric, and in the final analysis, it is going to depend on how many dollars are available.

**Ms Millard:** Mr. Chairman, it is just marvellous how an issue can be avoided. A simple question like does the Executive Committee want to be on that Decentralization Committee, I mean, are they committed enough to that idea, to that political decision? It does not matter how much money is going to be spent, who okays it, who puts it where, it has to be a political decision to either support it or not to support it. If the Executive Committee is going to be appointing people to this, they are going to be choosing the people who lean one way or the other. If they do not do that, then they are pretty dumb.

If they are going to be on that Committee, I would like to see that this House, the feelings of this House which have been made very clear in the last few years on decentralization, are being carried through because they are on that Committee. Two out of four of the Executive Committee have disappeared on the subject, and the other two are trying to avoid the issue altogether. Does it mean that decentralization is going to be shelved again as it has been over the last two years? Or is there actually going to be some action on this motion?

I would like to know whether Executive Committee is going to be on that Committee or not.

**Hon. Mr. McKinnon:** Mr. Chairman, the Executive Committee makes the decision whether or not there are funds involved in the budget for decentralization or not. I am just going to say, and I am going to say it as many times as I possibly can say it in this House over the next little while that there are going to be tremendously difficult political decisions to be made

regarding the economy of the Yukon Territory over the next few years.

Those political decisions are going to be tough, they are going to be hard, and they are going to be made by Executive Committee as far as the monies and the philosophies which reflects those decisions, and those decisions being included in the budget.

If the priorities are not for decentralization, because we may be going through some very difficult economic times, it can be proved to us that it is going to cost an amount of money which we need somewhere else, then perhaps that will not be a priority, political decision of Executive Committee which you can stand in this House and mouth all the platitudes and berrats us for.

Those are the tough, hard, political decisions that you make daily, being a Member of this Government. If times were rosy, the economic future in the next couple of years was just unlimited, and there were monies available to be able to initiate the concept of decentralization with some beautiful, motherhoody platitude to be able to expouse, then fine, that could perhaps be a priority backed with money and a decision of this budget.

How can you make a commitment and a promise and say, yes, I guarantee you that there is going to be 'x' amount of dollars in next year's Budget, when many of us will not maybe even be here to make that decision, included in next year's Budget. That is an impossibility for any political body to make, going into an election and all Honourable Members know that.

So, you know, let us be realistic about it. Yes, if the committee can show that this number of jobs can do that to the economy and can benefit the overall Yukon at this time, and the economic climate is such that it is a priority and can be made a priority decision to go along with, sure, it will be.

There is the concept of decentralization which nobody has argued against or nobody is fighting. Let us be realistic and face the facts as they are, that those decisions will be made in the light of the best available information that comes from this committee to Executive Committee, and will be made by the Executive Committee, considering all of those aspects of the situation, Mr. Chairman.

**Ms Millard:** I wonder if the Minister has actually read the paper, because what it says in the paper is that the Executive Committee is going to be part of that committee, that planning stage, over which we have requested over the summer months, over the next few months. It is not anything to do with next year's budget or anything else.

**Hon. Mr. McKinnon:** We are planning it already. You do not know anything about Government, geez!

**Ms Millard:** I know, I understand that the budget is being planned, but what is asked for in the green paper is the planning for implementation. It is not, he is jumping the gun, Mr. Chairman—

**Hon. Mr. McKinnon:** Now I am accused of going too fast. I was too slow five minutes ago.

**Ms Millard:** I am not asking the Government to make any commitment one way or the other on the budget. That is a political decision that is going to have to be made by a new Executive Committee. This Executive Committee should have some input on that committee that is deciding whether or not the Government should actually go ahead on the—because it is not going to be a matter of economics and this much money is here and that much money is there. It is going to be a political decision, as all true economics is. You have to know what you are going to stimulate and what you are not.

It is precisely because the economy is in a mess that we are talking about decentralization, because the economy is worse off in Dawson and in Mayo and in Haines Junction and Watson Lake, than it is in Whitehorse, and that we want a little share of that.

We feel that the committee should come out with some good recommendations towards that. All I want to know is if the Members on Executive Committee feel strongly enough at this to put themselves on that committee, or will they trust their deputy heads to make a decision, which will reflect what is happening in this House.

**Mr. Chairman:** I should point out to the Honourable Member who just spoke that the resolution that she proposes was accepted instructs the Executive Committee to be part of the Committee on Decentralization and that they have no option. It is too late for that part of the discussion. The resolution has already been passed, they are now committed to be members of this Decentralization Committee.

**Ms Millard:** Yes, Mr. Chairman, in originally discussing the motion, I suggested that perhaps the formation of the Committee could come out of the debate this afternoon and actually I was looking forward to that because I feel that it is a key part of the whole concept. But if Executive Committee is ready to accept it the way it is, which I presume they are, without any argument, then fine, that is the way it is.

**Mr. Chairman:** If Mr. Lengerke will take the Chair, we can go on.

**Mr. Berger:** Yes, Mr. Chairman, I was not quite finished with that thing. The Honourable Minister of Highways and Public Works made a statement which I do not take that lightly. He told this Committee that we could stand up in here and talk until we are blue in the face and it is up to him and the rest of the Executive Committee Members if they like it or not, either we get it or we do not get it.

I do not take it that easily. He has to listen to us also. If we demand something and we demand it often enough, his priorities need to change. If he does not want to change his priorities, well, I think it should be shown up in the next election.

The thing that I think neither one of the Executive Committee Members seem to understand or do not want understand, we have an emergency situation in Dawson City. There is a possibility and the indications are there right now, there are a lot of people going to leave Dawson City this fall because there is no real sense of being in Dawson City paying high taxes, paying high utility rates, paying high food costs, and really have no income coming in. A lot of the work that is created in the summertime in Dawson City by Historic Sites and the Federal Government is created for outside people, for students that come into the Territory, for travellers that come into the Territory, they take their money back outside again. Those monies never stay in Dawson City.

The surveys have shown that the majority of the monies earned in Dawson City in the summertime travels outside with the people. I think I am 100 per cent correct when I say we have a near emergency situation. I do not want to have this subject of decentralization treated that lightly by Executive Committee. We should have had action in this last budget session already, and by the sounds of it, we are going to have to wait another two years.

It also depends on Executive Committee on whether they want to put an 'A' priority on it or a 'B' priority. By the sounds of it we are going to get a 'B' priority because the pipeline seems to be more important than anything else in this Territory.

**Mr. Chairman:** Anything further?

**Mr. Acting Chairman:** Committee will resume work on Bill 102, *An Ordinance Respecting the Council of the Yukon Territory*.

I will give you a minute to grab your material and I believe we are at Section 8.

**Hon. Mr. Lang:** Mr. Chairman, I am concerned about section (1) of Section 8, which states that "a purchaser of land or an

interest in land in the Government of the Yukon Territory, acquired for the purpose of providing a residence for himself or his dependents." My concern in this particular area is for members to be able to purchase from the Government, whether industrial lots or commercial lots, as the Government is, at least at the present time and, it would appear, for some time to come, is the agent that develops land and sells it on the market, whether it be at an upset price or whether it be on a situation of lottery or whether it be for line-up purposes.

Now, if you have a situation of a Member in this House who is elected, working in the private sector on construction and during that period of time he finds a need for a piece of industrial ground, the way the section is presently written, it would prohibit him from purchasing a piece of property.

Furthermore, it would force him to go and buy it from the private sector, which could be that much more, cost that much more.

I am just wondering if the Members of the Committee are prepared to reassess this area, because I think it is fairly important, in view of the fact that the Government is the chief agency for the disposition of land.

**Mr. Acting Chairman:** Mr. McIntyre, would you have any comment there?

**Mr. McIntyre:** Well, we had considered this and, as you all know, at one time it was almost considered that a person really should not be purchasing land at all if he was a Member of Council, but we extended the privilege to become a purchaser of land, provided it was for a residence for himself or his dependents.

Now, if the Members feel that we should take it even further and remove any conflict of interest at all for a Member obtaining land, the committee is quite prepared to do this. This is a matter for the Members to decide.

But I should point out that if we start in eroding the protective sections dealing with conflict of interest, we are going to end up with nothing.

**Mr. Acting Chairman:** That is quite right, Mr. McIntyre. I wonder if there are any other comments or feelings with respect to that?

**Hon. Mr. Lang:** Mr. Chairman, I agree with the Member that one cannot change these to any great extent, but I feel very strongly in this area, that, due to the fact that the Government is the chief agency for the disposition of land, number one; and number two, there are set rules that one has to follow.

For an example, with the price of industrial lots, it is done on an upset purchase situation. Now, and I am talking as a Member within the House, if you are a Member of the Executive Committee as well, that is a different situation, but the point is you are in here maybe three or four months a year. The remainder of that year you have to earn a living, and you may be involved in the industrial, commercial side of business.

I think that is important. I think that people have to realize that, that your time has to be spent elsewhere in order to compensate your remuneration. I would appreciate it is the committee would be prepared to look at it. I know that one or two other sections that are going back.

**Mr. Acting Chairman:** Is it Committee's wish that we stand that with the others and take a look at that?

**Hon. Mr. Lang:** Mr. Chairman, I have another point on Section 8 and I would like to hear other Members' comments on it and we discussed it briefly this morning and that was in respect to the equity position of an individual in a corporation and it is 10 per cent equity.

Going further through the Bill, we have the ability of a doctor to work as a Member as well as get his full compensation through the program that has been accepted by this House a number of years ago. You have the ability of a legal counsel to

work in that particular area, the way I understand it is written.

Now, my point is in respect to people in private business. I think the Honourable Member from Klondike referred earlier to the fact that 10 per cent can be a major portion. It could be the controlling or dominating influence in respect to major corporations. Taking Yukon and the ability of people, you have to be here a year to vote, many of these people would not be affected by this because they would not be able to run for a Member in the Legislature. I am thinking of the individual in small business because a spin-off in a lot of these small businesses, as the Member from Hootaliqua referred to earlier, to some extent depends on being able to provide goods and services to the Government.

You have got a clause in here in respect to that that an individual cannot vote on matters that pertain to his or her interests if they fall along the lines of Section 8. I would like to see something. I realize it is an arbitrary figure but I think it should be increased. I would like to think we could maybe look at 25 or 30 per cent so it is not a controlling interest but a person does have an investment. I would like to hear comments of other Members in this area because it is a very important area.

**Mr. Berger:** Mr. Chairman, I still stand that even 10 per cent is too much because either we are running a serious business of an election of the House and we are trying to call ourselves a Legislative Assembly and all sorts of things or we get out of this business altogether.

If a person is interested enough to run for this type of position without making political gain, well he can dissolve himself or get rid of his share capital in all sorts of ways and means, in a trust fund and all sorts of things.

The point is, Mr. Chairman, I get the indication and the feeling from the Honourable Member that we are going to change legislation year after year, just the way the feeling is of the particular Members at the time because he is only concerned with the election coming up. If we make good enough legislation now, this legislation does not have to be changed for 10 years to come. This is what we should really be concerned with. I do not care if those corporate citizens at the present time are not in the Territory in the majority position, they are still some running around. There is a possibility that 99.9 per cent shareholders which may be a large percentage in a corporation.

This is my concern. Like I say, this Committee and this House's concern about making legislation like this, should be that we are not only looking ahead in the up-coming election this fall, but we should look ahead for further elections and possible by-elections.

This all has things to do with this legislation.

**Mr. Acting Chairman:** Mr. Berger, I think Committee did agree to take a look at that already and I think your comments are quite valid in many ways. I am sure that area will be stood and will be given some consideration.

We will go ahead.

**Mr. Fleming:** Mr. Chairman, to continue on the same basis, only it is before actually in the private sector. I feel that if it does go through in the form that it is now, which is giving the right for a person with up to 9 per cent in a corporation, which could be a very, very, very large corporation, and they could be doing enormous business with the Yukon Territory, and on the other hand a private person who is in a small business on the Alaska Highway or in Whitehorse or anywhere else, which would probably be doing only a little bit of goods and services within the Territory would not be in the same position and could not deal. That is my concern, that the two seem to be.

I am wondering about Section 8.(2) where it states: "acquires, holds or enjoys a statutory or other legally established right, other than a right which is subject to the exercises of a power of discretion by any member of the public service of the Yukon Territory, and thereby receives any public money,



payment, loan or guarantee, pursuant to an ordinance or a regulation or order made by the Commissioner which provides that he, in common with other members of the public or other members of a class of the public of which he is a member, may acquire, hold or enjoy."

I am just wondering if that Section does not provide for the private entrepreneur to actually be able to contract small services as any other common person could do. It does not? In this case then I am leary and concerned over it.

**Mr. McIntyre:** Mr. Chairman, I think the original *Elections Ordinance* really, a close interpretation of it, would prevent anybody that has any interest whatsoever in a contract with the Territorial Government would be ineligible. We put 10 per cent in to make it a little broader because there are so many people in the Territory that are involved in a small way with businesses that may have contracts with the Government. I would far rather see the 10 per cent removed completely and that anyone who has any interest in a business that has a contract with the Crown would be disqualified from sitting in this Assembly, than to have the amount increased from 10 per cent to 25 per cent or 50 per cent, or to do anything to destroy the principle that a Member of this Council who has a contract with the Territorial Government would not be disqualified.

I do not think it was ever considered, prior to the introduction of this 10 per cent, that a Member of this Assembly who had an actual contract with the Territorial Government was eligible to sit in this House.

I can well remember a few years ago when an Honourable Member of this House was thrown out of the House simply because he had an interest in a company that had a contract with this Government. I think it would not be well advised for us to change that principle, even 10 per cent to me is still an interest.

**Mr. Fleming:** Mr. Chairman, I have to agree with the mover of this paper. That is right. I would sooner see, if I am going to see it at all, that is my reason, I think it is unfair the way it is now, unfair to the private operator. If it is going to be that you can not have a contract of the Territorial Government then that is fine with me, but it must be one way or the other.

I might ask a question at this time as to a little clarification as to if you do not have a contract, you provide goods and services, there is absolutely no harm in that, I would say. In other words, if the Government comes to a stationery shop or anywhere else, or a person owns a tobacco store downtown, he has books and everything in there they want to buy, the Government buy them from him, there is nothing in here that says they cannot do that, I am sure, I hope not anyway.

**Mr. McIntyre:** No, I do not think there is anything in here that would prevent the normal retail transaction taking place which is not on a contract scale. In addition to that, the person who say has a service station on the highway could contract to the Government of the Yukon Territory to provide goods or services which are required for an emergency. There is a provision for emergency situations in here.

**Hon. Mr. Lang:** Mr. Chairman, my question is basically this: if one owns a lodge and a Government crew goes into that area and there are two or three lodges there, under this present legislation the way I read it, if an individual or a Member of this House, they would to all intents and purposes not be eligible to give them a long term commitment as far as providing the goods and services for gasoline, food and lodging. In other words, you have precluded any thought of an individual who is a highway lodge keeper contracting with the Government in this respect. Is this correct?

**Mr. Acting Chairman:** It is correct the way I interpret it.

**Mrs. Watson:** Mr. Chairman, and that is one reason why this piece of legislation is in here, so that people know before they run for election that those are the terms and conditions and

those would be the conflicts of interest. I think that the point that the Member from Mayo has made and the Member from Hootalinqua has made are really quite valid. The one that the Member from Hootalinqua said, the little contract for the little lodge owner where he supplies room and board for a crew for a short period of time under contract which might in total be \$3,000, but that 10 per cent interest could well be \$60,000 or \$70,000. So you are precluding him and yet allowing the 10 per cent, and I think that the point that was made this morning, there is just no such thing as a little bit pregnant. Maybe we had better just stay not pregnant.

**Hon. Mr. Lang:** Mr. Chairman, if I may submit one comment, and I think maybe we all are a little bit pregnant then, because I take a look and see what we are prepared to do for people in various professions, and then you take a look at the person actually involved in the private sector and you are saying, and I am not speaking for the Members of the Executive Committee, a Member in this House who has three months of the year to all intents and purposes, I do not know really how a lot of them would make a living. I think that to a great extent you have precluded a lot of people from running for office.

You have provisions later on in your Bill that state specifically that you cannot vote on any question arising in Council which touches on the office, commission, employment contract or agreement. I just think there seems to be two sets of rules here.

There definitely is.

**Mr. Berger:** Mr. Chairman, we already had two sets of rules long before this came in.

If a person is working for the Territorial Government or the Federal government, he was not eligible, in this House.

Now, we are only looking at a small part of the population and the Honourable Member is getting all upset. Let us face it, the small business is not the majority in this Territory. The majority of people in this Territory are the working people and if they work for the Territorial Government, they cannot run for the Territorial Government either.

If they decide to run, they have to give up their job and they have to find other ways and means of living. I suggest to the Honourable Member from Porter Creek that he maybe should do the same thing, and keep this House clean.

**Mr. Acting Chairman:** I wonder if—

**Hon. Mr. Lang:** I do not think that is necessary, Mr. Chairman.

**Mr. Acting Chairman:** We have had a pretty full discussion on this and I know that we could carry on for quite some time.

Mr. Fleming, I will allow one more.

**Mr. Fleming:** Before you go on, I understand the Honourable Member across the table, is the Government, too, it is his concern. But I am just looking for it now, where he said that there were people in private business and I thought I read it somewhere, where doctors and so forth and so on could still...

**Hon. Mr. Lang:** (g) and (h), page 4.

**Mr. Fleming:** So I think maybe we should take a good look at it and make sure that we do not just leave anybody.

I am quite agreeable that you should not be in here if you have any conflict of interest anywhere. This job has got to be there, however, as they say, some people have to make a living, but if you are going to take it from one, what I am saying, is you must take it from all of them, not leave some in here.

I would take a good look at that one, too.

**Mrs. Watson:** Mr. Chairman, I think (g) and (h) are different, completely different, because (g) refers to our legal aid structure that we have and that is a government program and we expect every lawyer to perform, as he has chosen to provide legal assistance to people under our legal aid program. They have no choice. They do not contract. If the lawyers had to go

on contract to be a legal aid lawyer, then he would be disqualified if he won the contract.

If we advertised and said we want to contract services for legal advice to people who qualify for legal aid under our civil legal aid program, or our criminal legal aid program, and one lawyer, one, gives in the best contract price and then he ran for election, he would have a conflict of interest, because he would have a contract.

But we expect every member of the legal profession to act in that capacity.

Now the same thing for medical care, if we advertised, What doctors what to contract with the Territorial Government, under a medicare program, and they had to submit their bids and then we chose the doctors. If those were the doctors, then I think they certainly would have a conflict of interest.

But this is a government program, it is a general program and it almost is the same as being able to go and buy a piece of land like everyone else does. The doctors did not bring the program in, the Government did.

They are in a completely different situation than the businessman who is contracting for services to the Territorial Government, completely different. I do not think we should restrict members of the legal profession or medical profession because of the fact that they serve as legal aid services under the legal aid legislation, or that they provide medical services under our Yukon Medical Health scheme.

**Hon. Mr. Lang:** I would like to ask another question while we are on the subject. Let us use a hypothetical example of individuals in the construction industry, who has his own small private contracting outfit and he is subcontracting with a major contractor who has a government contract. Is that an indirect benefit from public monies, and would it preclude him from being a Member of this House, or would it be a case where that was legitimate? To all intents and purposes, it is monies from the government coming to the private sector. Let's take a hypothetical case where a bridge is being constructed.

**Mr. Lengerke:** Mr. Chairman, I think I would interpret it that that person could be eligible, he could certainly carry on as a subcontractor. The money is not going directly to him, he does not have a contract with the government, it is the general contractor that would and the monies are due the subcontractor from the general contractor.

**Mr. Fleming:** Section 8.(1): "A person who executes or undertakes, holds or enjoys any direct or indirect interest in, alone or with another, by himself or by the interposition of a trustee or a third party, any contract", so he would be disqualified I would say, definitely.

**Hon. Mr. Lang:** Mr. Chairman, this is my question. That individual would be disqualified as a Member of this House.

**Mrs. Watson:** Mr. Chairman, I think when a major contractor puts a bid in for a Territorial building or a bridge or whatever, he has to list his subcontractors too, so the subcontractors are in fact bidding through their major contractor for that contract. So they are the third parties to it and they would not be eligible to run or sit as a Member of this House, or vote as a Member of this House.

**Hon. Mr. Lang:** Mr. Chairman, this is why I go back to my argument in respect to subsection (b) of this particular Section. I get the impression from some of the Members speaking here that the only ones that should be allowed to run for office are those that are not involved in the private sector. I disagree with that. I think you have to have from all walks of life so that decisions can be made in a proper manner. What I am saying here, in respect to (b), even if you were to raise it to 25 per cent, at least the individual has a fair investment in a company or a small business, and then he can carry on and augment his cost of living.

I just find it ludicrous that an individual would be, because he is subcontracting with a major contractor for work for summer employment, especially in the construction industry. you have just precluded anyone in the construction business running for office.

**Mr. McIntyre:** Mr. Chairman, I wonder what the position of the Honourable Member would be, how he would feel, if he had a sub-contract from a major contractor who had a several million dollar contract with this Government, and he was sitting in this House on Executive Committee, and a party to a sub-contract, indirectly with this Government, his position would be completely untenable and I think the position of any Member of this House would be untenable.

**Hon. Mr. Lang:** Mr. Chairman, you have got to differentiate between the Executive Committee and being a private Member in this House. If you were a Member of the Executive Committee you would not, the conflict of interest guidelines are already in place and they are very, very tight and understandably so.

What I am saying is a Member in this House is, in respect to being, and he or she would not be in the position to vote on that matter, because that specifically states that in here. All I am saying is that I think there should be a little bit more flexibility to fit the Yukon situation.

**Mr. Deputy Chairman:** Mr. McIntyre, do you wish to clarify a little bit more for Mr. Lang?

**Mr. McIntyre:** Well, I was going to say, Mr. Chairman, that the conflict of interest guidelines dealing with Executive Committee are not a part of this Ordinance.

**Hon. Mr. Lang:** That's true.

**Mr. McIntyre:** That is right, they are not in here. We know nothing about them. We have not the slightest idea what your conflict of interest guidelines are. Perhaps you had better table them in the House so we know what controls you people.

**Hon. Mr. Lang:** Mr. Chairman, my understanding is that they are public information by regulation, a Commissioner's Order. I would imagine the Honourable Member has a copy of them.

**Mr. Deputy Chairman:** Mr. Lang, we are going through clause by clause of the Bill, not the regulations dealing with your conflicts—

**Hon. Mr. Lang:** Mr. Chairman, the only reason I am commenting on this is that the Honourable Member, in reply to the point that I was trying to make, referred to being a member of the Executive Committee and you could not be in business and still be a Member of the Executive Committee. You have other avenues, blind trusts and whatever other avenues that are available in that respect.

All I am saying is that in the interest of private members sitting in this Legislature, and not precluding possible good candidates for running for office.

**Mr. Deputy Chairman:** I think Mr. McIntyre was trying to clarify, Mr. Lang, for your benefit, that the conflict of interest of any individual running for office, once that individual becomes elected, he then may be appointed to the Executive Committee, who has its own conflicts of interest guidelines.

But if a question arises dealing with the conflict of interest from the elected individual's point of view, I cannot see where the Executive Committee conflict of interest guidelines come into play. The conflict of interest we are talking about is within the Bill itself.

**Hon. Mr. Lang:** Mr. Chairman.

**Mr. Deputy Chairman:** Yes, Mr. Lang.

**Hon. Mr. Lang:** I just made the point the reason I brought up the Executive Committee was in reference to the fact that the Honourable Member from Mayo raised it. It is separate and



apart and I fully realize it. We are talking about a private Member's ability to run for office and stay in office so that he does not have a conflict of interest, and I am referring specifically to 8.(2)(b).

**Mr. Fleming:** Mr. Chairman, I do not want to hold this up any longer, really, it just goes back to where I am just wondering whether one section helps another, and I have to go back to 8.(1) and say where "under which any public money has been paid to and accepted by such person, or under which any payment, loan or guarantee" and I just wonder how far they really are going with the private sector, that if there are any loans from the Government and with the native peoples, for instance, on all their loans, and such, and grants, and just how far are we going.

Is that clarified in 2, that they can still receive the monies and still run?

**Hon. Mr. McKinnon:** If it said "Government of Canada", it sure would be.

**Mrs. Watson:** Except me and I do not get my old age yet.

**Mr. Deputy Chairman:** Order please.

**Mr. Watson:** do you wish to say something?

**Mrs. Watson:** Yes, Mr. Chairman. I can understand the Member from Porter Creek's concern. I think we are all concerned that there are people who would like to take part in our democratic process in the Territory but they are dependant on some government contracts or selling some services to the government of the Territory and this is fine. We went around this and if these sections have not been discussed fully before in Committee, this is nothing, absolutely nothing. It was 10 per cent, nothing, it was 12½ per cent, it was 25 per cent and then we said, well maybe somebody could have a little contract, 2,000, 3,000, 5,000, what is a little contract?

He could have a little share, so some guy has a contract for 3,000, he is okay but the limit is 3,500 so another guy has got a contract for 3,600, he has got a conflict of interest. You know, what is the difference, whether you have a contract for 3,000 or 3,600? Which one has a conflict of interest? They both really have so this is very easy to say but by golly, it is pretty hard to write it down and be able to be fair to everyone and that is why, and I think we have finally come to the conclusion, none. That is the easiest way. If one cannot, then no one else can.

**Ms Millard:** Mr. Chairman, I am finding the discussion really interesting. Of course, I do not have to worry about a conflict on interest because I do not have any other source of money except from here and I think maybe if we took a look around, we would see that it is not detrimental to the business world because we do have people involved in the business world here now, maybe a few too many of them and I think that one of the solutions, if the Minister is worried about people having to work in the summer, the solution is to raise the salary so that it attracts people who can live off the salary of being an MLA which is eventually going to have be because we are working more now, three times as much as we did when we first started four years ago and I am hoping that the next Assembly works twice as hard as we do.

So we should be getting salaries commensurate with the work that we are doing and we should not have to worry about other interests. We have to become professional and be paid as professionals, I think that is the solution.

**Mr. Deputy Chairman:** I think the only difficulty there, Ms Millard, is that perhaps some newly elected people, if you raise the salaries, they might have a horrendous job justifying their existence.

**Ms Millard:** Mr. Chairman, I do not know about you but I treat this as a full time job and it is a full time job when you treat it as such.

**Mr. Deputy Chairman:** You missed the point, Ms Millard.

**Hon. Mrs. Whyard:** Mr. Chairman, I understand the motivation for the Honourable Member's remarks but I am afraid I cannot agree because we would then be inflicting a breed of professional politicians on the public rather than people coming into public office to contribute their own special areas of concern and expertise and experience.

I think we have got a whole new career already of researchers in public inquiries and I hate to see another new career in this country of professional Members of Council.

**Mr. Deputy Chairman:** I think Caesar's Palace in Ottawa is had enough without us getting involved.

**Mr. Deputy Chairman:** Any further discussion on Clause 8?

**Hon. Mr. Lang:** It is laid over?

**Mr. Deputy Chairman:** Do you want to stand Clause 8 over, Mr. McIntyre?

**Mr. McIntyre:** Mr. Chairman, we are looking at (1), which would provide that a person could buy a lot for the purpose of his business.

**Mr. Deputy Chairman:** Very well, we will stand over Clause 8 and go on to Clause 9.

*Clause 8 stood over*

*On Clause 9*

**Hon. Mr. Lang:** Mr. Chairman, I am just looking at the wording of Section 9.(1)(a) and (b), and it states "thereby he made ineligible to be a Member of the Council".

Would it not follow that he would not be allowed to sit or vote on the Council if he was not a Member? I am just wondering why those words following "ineligible to be a Member of the Council", because it would just follow he would not be able to sit, he would not be able to vote.

I think it is just a case of semantics, but I do not think —

**Mr. Deputy Chairman:** Mr. McIntyre, do you wish to clarify?

**Mr. McIntyre:** Yes, Mr. Chairman, this applies to a Member of the Assembly, who, but for the provisions of these enabling Sections 7 and 8, would be ineligible. He is a Member of the Council, he has something involved in Section 8.(k), for example, therefore, when it comes to a vote dealing with the particular matter in which he is interested but it has been waived for the purpose of making him eligible, he shall not vote on any question arising out of that matter.

**Mrs. Watson:** Yes, Mr. Chairman, I do not think that Members realize that when we went through this Bill originally, we had to make the big decision, should a person be eligible to sit as a Member in this House if their wife or husband had a contract with the Government and which government? Is Federal government all right, is Territorial?

You know, these are the things that we have to consider and really, there is a dicey type of conflict of interest, in fact, if they do. There is.

But we thought by restricting it too much, we would be restricting people who would be eligible to run and to sit and vote, so we excluded the dependants and the spouse of a member could hold a contract. But then a Member should not be voting on any question relating to that contract or commission or job.

**Mr. Deputy Chairman:** Shall the Clause carry?

**Hon. Mr. Lang:** No, Mr. Chairman. Mr. Chairman, if what the Honourable Member is saying to me is that, to take a hypothetical case, an individual is in the, let us say the printing business, he or she transfers all his shares to his spouse and then you are saying that that spouse could bid on a government contract, Territorial Government contract. Is that correct?

**Hon. Mr. Lang:** Mr. Chairman, I would like like to make one more comment. If we had accepted the principle that an

individual cannot have any more than 10 per cent equity, in the previous Section, in any business venture or a business that is involved with government, and I would like to hear the other Members who have not said anything, whether or not they feel that possibly we should be looking at the spouse and dependent relatives not being able to go into a contract with the YTG, because all you have done is gone through the back door.

You had a lawyer and you transfer whatever you have, your shares or whatever, and you go along your merry way. If we have accepted the premise of 10 per cent, then I would suggest we stick to that and not have a spouse or a dependent relative bidding on YTG contracts. I would like to hear what the Member from Hootalinqua and the Member from Whitehorse North Centre have to say.

**Mr. Deputy Chairman:** Mr. McIntyre, you wish to clarify that for Mr. Lang?

**Mr. McIntyre:** Yes, Mr. Chairman. If a person who is contemplating running for the Assembly, transfers his contract or agreement to his wife, she then becomes the trustee and she is the third party and therefore he is disqualified. You just cannot hang on to something like that by transferring it to your wife, even if you transfer it to a trustee. You are still involved in the contract.

**Hon. Mr. Lang:** Mr. Chairman, to follow that further then, actually subsection (c) really should not be in Section 9 then. To all intents and purposes, the way it reads to me is outlined, that one can transfer his or her shares to the third party and just not vote on the issue when it comes up in the Chambers. Is that not correct, under 10 per cent?

**Mrs. Watson:** Mr. Chairman, probably we should be taking this back and having a look at it for further clarification, but (c) specifically was the provision in there, and we were thinking of contracts of employment so that a spouse of a Member could still be an employee of the Federal Government or Territorial Government. Contract of employment was the big thought. I think maybe we may have to look at it for further clarification. I do not understand it as well as some of the other Members the technicality of the trustee and this type of thing. If they feel that it is taken care of, fine, but maybe we should be clarifying it.

**Mr. Deputy Chairman:** I think if Members would look at and read Clause 9, both subsections, it makes reference to Section 7.(2) in one area which deals only with the employment aspect of an individual's conflict. It is not actually dealing with contracts per se like you will find in Clause 8. One should consider that before we ask that it be stood over.

**Hon. Mr. Lang:** Mr. Chairman, I think that if you read subsection (c) it goes further than what the intent of this subsection was to go. It states very specifically: "holds or enjoys a contract or agreement".

**Mr. Deputy Chairman:** That is correct, Mr. Lang.

**Hon. Mr. Lang:** Well this is correct and this is what we were discussing a little earlier. This is something that we did not want to have happen and we felt that we should preclude that. I think the Committee should have a look at it.

**Mr. McIntyre:** This particular Section, Mr. Chairman, also applies to a person whose father is a contractor.

His father may have quite legitimately bid on a Territorial Government contract. That Member himself would only be disqualified from voting a sum of money for that particular contract.

**Mr. Deputy Chairman:** I think before we go any further, is it Committee's consent that we stand this over and let the committee look at this? Otherwise, you are just going to be wasting time on this particular clause.

**Hon. Mrs. Whyard:** It is just getting interesting.

**Mr. Deputy Chairman:** I will stand it over and we will go on to Clause 10.

When it is brought back, Mr. Lang, you can take another crack at it.

*Clause 9 stood over*

*On Clause 10*

**Mrs. Watson:** Mr. Chairman, you still have to qualify your citizenship and your age qualifications and your residency qualifications, notwithstanding that we have not mentioned them, they are still necessary to be a Member? Yes.

**Hon. Mrs. Whyard:** You are not going to change your age or your British citizenship or anything else, what are you going to change?

**Mrs. Watson:** Mr. Chairman, we have not enumerated the requirement, the age requirement or the residency requirement in the legislation, so we are saying we are referring that back to the eligibility to vote, so, even though we have not enumerated them, they still apply.

*Clause 10 agreed to*

*On Clause 11*

*Clause 11 agreed to*

*On Clause 12*

**Hon. Mr. Lang:** Mr. Chairman, in subsection 2 of 12, is that the saving grace of the majority if the Members in the House feel that what has occurred is not acceptable to the majority of Members then they can get rid of him for whatever reasons? So he cannot vote until he has gone through his court proceedings and sit in this House?

**Mr. McIntyre:** Mr. Chairman, the 12.(1) deals with a specific disqualification, under 7 or 8, and if it went through the normal processes under the *Controverted Elections Ordinance*, this House would not have any judgment on it. It is only for some other factor which may involve the behaviour of a Member in the House.

We are saying that, notwithstanding 12.(1), that the Assembly still has the power to discipline its Members.

*Clause 12 agreed to*

*On Clause 13*

**Mr. Fleming:** Mr. Chairman, have gun will kill. I do not agree with subsection (3). I would like some explanation as to just why it is even in there in that context anyway. I do not really believe that anybody should be standing over somebody who is trying to find something so that he can collect \$100 or so a day off an individual.

**Mr. Deputy Chairman:** Mr. McIntyre, do you wish to clarify that?

**Mr. McIntyre:** Mr. Chairman, we had some long discussions about this too. Basically the onus is really on the person who is deliberately sitting when he is not supposed to. All he has to do is not sit and he is home free.

**Mr. Fleming:** Mr. Chairman, there is a very good possibility that somebody could get into this House not even knowing that he was in contravention of this Ordinance. There is a possibility, a very small thing that he has collected from the Government. The person next door to him sit there for six months waiting for him and not say a word about it until such time as he figures well I have made enough money now, I will nail him, and get away with it. I do not believe in any such thing as that going on. I can see it very plain here that it is very easy to do that.

I might know if the Member has something wrong and she should not really be here and I do not have to say it today, I can wait. I am not going to make any money by booting her out the first day she is here, I will wait six months and then I will bring it up, then I collect money for something like that, no.

**Ms Millard:** Mr. Chairman, we discussed this the last time we were through here and I had understood that it was going to be taken back and probably eliminated because of the distaste

that most Members had for it. That is what my understanding of it was. I am surprised to see it back in here. I am just wondering why it still is. It just does not seem to—I think some provision like this has to have some positive benefit. I do not see any positive benefit in this except to the guy who wants to make \$500.

**Mrs. Watson:** Mr. Chairman, I think when you go through 12 and 13 carefully, you will see that Section 12 provides that if a person is ineligible or disqualified once they are elected, they cannot really be disqualified until it has actually been proven under the *Controverted Elections Ordinance*. It says "until such has been duly declared and held by a Court hearing the issue pursuant to the *Controverted Elections Ordinance*..."

Therefore, if a person is sitting and they are disqualified and the action is not taken, they are really not disqualified until that action is taken under the *Controverted Elections Ordinance* and they are so declared, after they are so declared. This would overcome the ignorance part of it, not knowing about it. After they are so declared, and they still sit, then slap it to them, by all means.

**Hon. Mrs. Whyard:** Mr. Chairman, that may well be the intent, but in (2), "A person who by this Ordinance is made or declared to be ineligible to be a member of the Council" is the same reading you know as or by a Court pursuant to the *Controverted Elections Ordinance*. There are two channels there, "A person who by this Ordinance is made or declared to be ineligible and who sits or votes therein", etcetera. There are a lot of things in this Ordinance which are confusing to me and may well have been applied to me in my naivety.

I find that I was really not eligible because of a subsection in this Ordinance, it is not necessarily by a court declaring you ineligible. There are two meanings there, Mr. Chairman.

**Mrs. Watson:** Mr. Chairman, but the basic problem, I think of the not understanding of whether you are eligible or disqualified are defined in Sections 7 and 8, the basis of conflict of interest and only those two that this House cannot make a decision on those two. It has to be a court that can make a decision on that.

Those are the two areas, because 12.(1) says "no disqualification or ineligibility arising under Sections 7 or 8" can be considered as such, unless they are actually declared by the court, under the *Controverted Elections Ordinance*.

Now others, under this Ordinance, now that of course would include residency, age, I do not know what other qualifications it would require, but 7 and 8 are the keys for conflict of interest. The other ones, you should know whether you are old enough or too old or whether you have lived long enough in the Territory.

**Hon. Mrs. Whyard:** Mr. Chairman, with respect, I really feel if the Committee is saying that subsection 2 refers back only to 7 and 8, then they should say so in subsection 2. Otherwise it covers everything in this Ordinance when you say a person who, by this Ordinance, is made or declared to be ineligible.

**Mr. Fleming:** Mr. Chairman, I do not agree with her very much except the part where you are paying some paid sleuth to look over your shoulder. If there is going to be a penalty and the law sets a penalty, okay and I agree with it. But I cannot agree with that section where the penalty, half of that penalty goes to the person bringing the action. I do not think we need any paid individuals going around looking for ways to make a dollar and that is just exactly what you are saying there. What do you need it for? I never heard it in any other ordinance or anywhere else. What is it for anyhow, really? Why is it there? Why is the penalty not imposed and the man pays the penalty to the Government, to the court or to whoever is necessary, but why to an individual, unless you are actually paying him to overlook the rest of us and I cannot agree with that concept.

**Mr. Lengerke:** Mr. Chairman, I would move that Mr. Speaker do now resume the Chair.

**Mr. Deputy Chairman:** Second?

**Ms Millard:** I second it.

**Mr. Deputy Chairman:** It has been moved by Mr. Lengerke, seconded by Ms Millard, that Mr. Speaker do now resume the Chair.

*Motion agreed to*

*Mr. Speaker resumes the Chair*

**Mr. Speaker:** I call the House to order.

May we have a report from the Chairman of Committees?

**Mr. McCall:** Thank you, Mr. Speaker.

Mr. Speaker, the Committee of the Whole has considered Bill Number 102, *An Ordinance Respecting the Council of the Yukon Territory*, and directed me to report progress on same.

The Committee also considered a motion respecting Electrical Rate Equalization and directed me to report progress on same.

The Committee also considered a motion respecting the green paper on Decentralization of Yukon Territorial Government offices and directed me to report as follows: that the Government establish a Decentralization Committee whose responsibilities would be as enumerated in the green paper on Decentralization and that this Committee report back to the Assembly before dissolution of the Assembly.

The Committee also asks leave to sit again.

**Mr. Speaker:** You have heard the report of the Chairman of Committees. Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** Leave is so granted.

May I have your further pleasure.

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

**Mr. McCall:** I second that.

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

*Motion agreed to*

**Mr. Speaker:** This House now stands adjourned until ten a.m. tomorrow.

*Adjourn*

#### The following Sessional Papers were Tabled April 24, 1978

##### 78-1-38

Reply from Minister of D.I.A.N.C. respecting N.C.P.C. Debt Burden

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##### 9578-1-39

Brief from Yukon Native Brotherhood to Task Force on National Unity

##### 78-1-40

Terms of Reference for Minister's Special Government Representative for Constitutional Development in the Northwest Territories

##### 78-1-41

Terms of Reference for Minister's Special Representative for Constitutional Development in the Yukon

##### 78-1-42

Letter from Ad Hoc Committee to Form a Ratepayers' Association

