



The Yukon Legislative Assembly

Number 5

3rd Session

24th Legislature

HANSARD

Wednesday, March 26, 1980 — 7:30 p.m.

Thursday, March 27, 1980 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake
DEPUTY SPEAKER — Geoffrey Lattin, MLA, Whitehorse North Centre

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government House Leader — responsible for Executive, Council office, Public Service Commission, Finance and Pipeline.
Hon. Doug Graham	Whitehorse Porter Creek West	Minister responsible for Education, Justice, Consumer & Corporate Affairs, Information Resources, Government Services
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Highways and Public Works, Municipal and Community Affairs, Yukon Housing Corporation, and Yukon Liquor Corporation.
Hon. Meg McCall	Klondike	Minister responsible for Health and Human Resources and Workers' Compensation Board.
Hon. Peter Hanson	Mayo	Minister responsible for Renewable Resources, Tourism & Economic Development.

Government Members

(Progressive Conservative)

Al Falle	Hootalinqua
Jack Hibberd	Whitehorse South Centre
Geoffrey Lattin	Whitehorse North Centre
Grafton Njootli	Old Crow
Donald Taylor	Watson Lake
Howard Tracey	Tatchun

Opposition Members

(Liberal)

Iain MacKay	Whitehorse Riverdale South
Alice P. McGuire	Kluane

(New Democratic Party)

Tony Penikett	Whitehorse West
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(Independent)

Maurice J. Byblow	Faro
Robert Fleming	Campbell

Clerk Of Assembly
Clerk Assistant (Legislative)
Clerk Assistant (Administrative)
Sergeant-at-Arms
Editor of Hansard

Patrick L. Michael
Missy Parnell
Jane Steele
G.I. Cameron
Lois Cameron

ERRATUM

Wednesday, March 26, 1980, Volume Number 4

Lines 28 through 35 should read as follows:

Mr. Chairman: The Chair has some confusion. Do you want Clause 30 carried and Clause 33 stood over or stand 30 over and continue on?

Mr. Penikett: Mr. Chairman, I believe the consensus is that we stand over Clause 33 to permit an addition of a clause restricting the right of the sheriff from purchasing properly seized properties.

Hon. Mr. Graham: That is correct, Mr. Chairman.
Clause 30(3) agreed to

Whitehorse, Yukon

Wednesday, March 26, 1980 — 7:30 p.m.

Mr. Speaker: I will now call the House to order. May I have the pleasure of the House?

Hon. Mr. Graham: Mr. Speaker, I would ask unanimous consent to return to Routine Proceedings for the purpose of introducing certain Bills.

Mr. Speaker: Does the Honourable Member have consent of the House?

Some Members: Agreed.

ROUTINE PROCEEDINGS

BILLS: INTRODUCTION AND FIRST READING

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Health and Human Resources, that a Bill entitled Second Appropriation Ordinance, 1980-81 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Health and Human Resources, that a Bill entitled Second Appropriation Ordinance, 1980-81 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Education, that a Bill entitled Interim Supply Appropriation Ordinance, 1980-81 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Education, that a Bill entitled Interim Supply Appropriation Ordinance 1980-81 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse South Centre, that a Bill entitled Financial Agreement Ordinance, 1980 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government and seconded by the Honourable Member from Whitehorse South Centre, that a bill entitled Financial Agreement Ordinance, 1980 be now introduced and read and introduced a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that a Bill entitled Loan Agreement Ordinance, 1980 (No. 1) be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member from Old Crow, that a Bill entitled Loan Agreement Ordinance, 1980 (No. 1) be now introduced and read a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Municipal Affairs, that a Bill entitled Municipal General Purposes Loan Ordinance, 1980 be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Municipal Affairs that a Bill entitled Municipal General Purposes Loan Ordinance, 1980 be now introduced and read a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Tourism and Economic Development that a Bill entitled Energy Conservation Agreement Ordinance be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Economic Development, that a Bill entitled Energy Conservation Agreement Ordinance be now introduced and read a first time.

Motion agreed to

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Tatchun, that a Bill entitled Ordinance to Amend the Liquor Tax Ordinance be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Tatchun, that a Bill entitled Ordinance to Amend the Liquor Tax Ordinance be now introduced and read a first time.

Motion agreed to

Hon. Mr. Hanson: Mr. Speaker, I move, seconded by the Honourable Minister of Education, that a Bill entitled Yukon River Basin Study Agreement Ordinance, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Minister of Education, that a Bill entitled Yukon River Basin Study Agreement Ordinance, be now introduced and read a first time.

Motion agreed to

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse North Centre, that a Bill entitled An Ordinance to Amend the Government Employee Housing Plan Ordinance, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal Affairs, seconded by the Honourable Member from Whitehorse North Centre, that a Bill entitled An Ordinance to Amend the Government Employee Housing Plan Ordinance, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: Are there any further bills for introduction at this time?

May I have your further pleasure?

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal Affairs, that a Bill entitled Second Appropriation Ordinance, 1979-80, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Municipal Affairs, that a Bill entitled Second Appropriation Ordinance, 1979-80, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: We will now revert on the Order Paper to Motions. Are there any Motions?

MOTIONS

Mr. Clerk: Item Number 1 standing in the name of the Honourable Mr. Pearson.

Mr. Speaker: Is the Honourable Member prepared to deal with Item Number 1 at this time?

Hon. Mr. Pearson: Yes, Mr. Speaker.

Motion Number 1

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Education, that this House approves in general the budgetary policy of the Government.

Hon. Mr. Pearson: Mr. Speaker, and Members of the Assembly, the Government takes great pride in presenting the 1980-81 Main Estimates and its accompanying financial package.

There were two reasons for this Budget Session of the House being called for this late time of the current fiscal year. We did not want the Session to conflict or interfere with the February Federal Election and we did not want to take any prestige away from, or interfere with the Arctic Winter Games of last week.

It is not our intention to unduly pressure any Member of this House in their efforts to give the Main Estimates careful consideration prior to final approval. We will therefore be introducing an Interim Supply Appropriations Ordinance which will have to pass by March 31. This will allow one-twelfth of the total budget for the coming year to be used for the ongoing expenses of the Government while the budget is being debated.

The financial package being presented to you involves an Interim Supply Appropriations Ordinance, 1980-81; a Second Appropriations Ordinance, 1980-81; a Financial Agreement Ordinance, 1980; Loan Agreement Ordinance, Number One 1980; a Municipal General Purposes Loan Ordinance, 1980; and Second Appropriations Ordinance, 1979-80.

We have been fortunate in Yukon to have weathered some disappointing economic news and developments and to have been permitted some breathing room to prepare for what could be unprecedented economic opportunities for the vitality of our Territory.

As outlined last week in the Throne Speech, this Government has planning in progress to adequately prepare us for dramatic advances in our economy and to meet the future social demands of all residents.

There are a number of excellent prospects in mining, transportation, tourism, pipeline construction, and electrical energy generation. Each project could significantly contribute to the continued

growth of our economy and all the projects could combine to benefit all citizens, including many who have not had access to the continuing economic developments within our Territory.

Rising metal prices are stimulating increased exploration activity, as evidenced by the 24 per cent rise in the number of persons employed in mineral exploration last summer. Placer mining has also witnessed a substantial expansion in the last year and this trend is expected to continue.

Yukon's largest mine, Cyprus Anvil, is investing new capital and is currently firming up its plans to develop its grum deposit and increase the life of its mining activity at Faro.

Under active consideration at this time are six major mineral inventories, which could be turned into producing mines during the next years. Three areas, Howards Pass, Tom and Jason, could become future lead/zinc mines.

The remaining three could become major producers of tungsten, molybdenum and copper. Two medium sized mines affecting our economy are expected to be brought into production over the next two years. Some 50 to 100 permanent employees could be on the job if United Keno Hill Mines proceeds with its plans to reopen the Venus Mine on the Carcross Road.

Our economy will directly benefit from plans by Placer Development Limited to open a new molybdenum mine at Atlin, B.C. This mining will depend almost exclusively on Yukon for supplies and services.

This Government has also been successful in its efforts to convince the two major mining companies in Yukon, Cyprus Anvil and United Keno Hill, to locally advertise tender calls on their smaller construction contracts so that local contractors will have an opportunity to bid on projects, which will benefit our total economy.

We are well aware of the important need to improve our transportation network and we will continue to press for advances in our rail, road, and air transportation systems.

The Government remains committed to the continued operation and eventual extension of the White Pass and Yukon Railway. It is this Government's firm conviction that as long as the Federal Government retains ownership of our non-renewable resources and as long as the Federal Railway Act is in place, it is the direct responsibility of that same Federal Government to provide the means of ensuring that this transportation segment, which is vital to the development of Yukon, remains operational.

Prior to the February 18th Federal Election, Yukon was involved with the Federal Government and Federal Industries Limited in discussions that were being held with a view to resolving this important matter.

The new Minister of Indian Affairs and Northern Development has been fully apprised of these discussions and it is hoped that he will give this topic some priority in his deliberations.

The recent Canadian Transport Commission Report squarely stated that long-term solutions were needed to alleviate the problems facing the White Pass Railway.

While we may not have been in total agreement with the conclusions of the investigation, we will continue to press for a satisfactory resolution of the problems facing the railway. We do not consider short-term, impulsive, and narrow solutions as the means of placating our immediate concerns.

Continued road development through paving and surface improvements remains a high priority for the Government. Progress on the Shakwak project will inject additional funds into our economy, as will proposed improvements to the Whitehorse Airport and airstrips in the Territory.

Our economy will also receive substantial benefit through the injection of a further \$6 million over the next two years to improve our tourist industry. Government officials successfully negotiated the tourism sub-agreement so that 85 per cent of the programme's funding will come from the Federal Government and the remaining 15 per cent will be covered from Yukon Consolidated Revenue Fund. These officials are to be commended for this as the normal agreement between Canada and the Provinces is a 60/40 split in costs.

Mr. Speaker, the budget being presented to you today also recognizes the responsibility of your Government in dealing with energy conservation and ensuring that the world-wide problem of supply will not lead us into an economic depression.

A new item within the budget will allow the Government to plan, implement, and encourage energy conservation measures and practices.

This Government is continuing its efforts to negotiate two agreements with the Department of Energy, Mines, and Resources

for the cost-sharing of two important energy conservation programs for Yukon.

The first program will be directed towards encouraging energy conservation investments by commercial, industrial, and institutional establishments. Our involvement in this cost-shared venture would be to provide an energy audit of each establishment, identify areas in which they would improve their energy use and make recommendations to upgrade their facilities.

The second cost-shared agreement is being pursued to help develop new energy conservation methods for Yukon conditions.

Funds from this agreement could be used toward providing financial assistance for energy conservation and renewable energy demonstration projects which could be made commercially available.

Such projects which could be considered include solar hot water heating in commercial applications, passive solar building design or the large scale use of wood as a heating source.

Our local energy supply needs are being actively pursued by the Northern Canada Power Commission and indirectly through the construction of the Alaska Highway Natural Gas Pipeline.

NCPC has completed planning to construct a fourth turbine at its Whitehorse Generating Plant and is spending \$3.5 million on studies to determine a future major hydro-electric site.

At the same time, we know that the Bonnet Plume Coal Fields north of Mayo provide a substantial potential for the development of a medium-size thermal electric generation plant. Development of this thermal power could overcome some of the major stumbling blocks to the opening of new mines.

Mr. Speaker, your Government's budget being placed before you today represents an increase of 12.5 per cent over the 1979-80 Estimates and a total operation and maintenance expenditure of \$89.7 million. Total estimated expenditures of the Government are expected to be \$3 million more than our estimated revenues. This short fall in revenues will be funded from our working capital which has been built up over the years to accommodate such requirements rather than approach the senior Government for increased financial assistance.

The recently signed Tourism Subsidiary Agreement and the Renewable Subsidiary Agreement will contribute to a 55 per cent increase in the expenditures of the Department of Tourism and Economic Development and a 43 per cent increase in spending by the Department of Renewable Resources.

The current size of the Public Service will be the subject of a minimal increase of five man years over the 1979-80 Estimates.

The new programs and additional activities of the Department of Tourism and Economic Development and the Department of Renewable Resources will result in an increase of 9.5 man years while there will be a reduction of four man years within the rest of the Government.

At the same time, the budget of the Public Service Commission has been substantially amended to reflect this Government's desire to improve local hiring practices and staff training while depending less on the recruitment of new staff from outside the Territory.

All programs are being reviewed and there have been changes that will reflect some savings in costs to this Government.

This Budget represents a determined effort to hold the line on expenditures for existing programs, while allowing a large increase in our efforts to promote economic development and renewable resource activities.

A combination of factors have contributed to the modest increase in our expenditures and significant improvements in our revenues, without having to go to the taxpayers for new or increased funding.

The only major taxation change being proposed for your consideration will be amendments to the method by which liquor taxes are determined. We propose to adopt the practice now in use by the provinces, in which the amount of tax collected actually increases with both the value of the product and the volume of sales. The previous method depended exclusively on sales volume.

Two recent changes to methods in determining rates of taxation will also improve the revenue sources of this Government.

The passage of the enabling legislation to allow Yukon to control its own income tax will give us more accurate and timely revenues.

The old formula used by the Government of Canada to determine our grant in lieu of income tax was based on estimates which were at least three years out of date. The new method will provide us with the actual Territorial income tax collected. We do not propose

to change the rate of the Territorial personal income tax, which is currently 43 per cent of the Federal tax payable and the second lowest in the country after Alberta.

Also, we do not propose to change the current rate of Territorial corporate income tax, which is 10 per cent of the Federal corporation tax.

Another major change in determining our sources of revenue comes from the new method of assessing real property and determining property taxes.

The addition of new properties to the tax roll, improvements to existing properties and the changes in the assessment formula will allow for a slight increase in property tax revenues.

Properties throughout Yukon which have not yet been reassessed to the new formula will be subject to a slightly higher mill rate, so that all citizens can be treated equally.

Mr. Speaker, since its inception, the school tax levy has been an arbitrary figure determined each year by the Government, without reference to costs being incurred. We have determined that, in fact, this levy has amounted to some 10 to 14 per cent of the actual cost of operating and maintaining the school system in Yukon in past years.

A policy has been adopted by this Government that pegs the mill rate for the levying of school tax at an amount that will equal 11.5 per cent of the operation and maintenance cost of education in the Territory.

These changes have allowed us to maintain existing licence, permit, and fee for service charges at their 1979-80 level without imposing any substantial additional burden on the tax-paying consumer.

Mr. Speaker, this is the first budget to be presented which does not contain both the Capital Works and Operational and Maintenance Expenditures of the Government. The passage last Fall of the 1980-81 Capital Budget is helping to improve the economic outlook for Yukon's construction industry.

Spending of the \$29 million Capital Budget is set to begin this Tuesday and there are \$4 million worth of projects which have been awarded or are in the process of being awarded earlier than in past years.

We have achieved advanced planning to give the private contractor a better opportunity to prepare for this construction season's activities and begin work on some projects almost two full months earlier than in previous years.

The earlier calling of tenders allows the contractor to take full advantage of our short construction season, extend job opportunities to our citizens earlier in the year and allow savings to Government expenses over the long term.

Improvements to enhance the overall quality of financial decision-making within the Government is one of the major continuing aims of the Department of Finance in its efforts to meet the need for greater efficiency and economy in the utilization of Government resources.

A financial management system unit has been established within the Department and its staff is successfully working on projects to provide management with more timely, flexible financial information for control and decision-making.

Contributions to this development in our financial management are coming from all departments and agencies of the Yukon Government.

A new era will commence with the start of the new fiscal year. Improved classification of accounts, general ledger, and financial management reporting systems will be implemented on April 1 and additional improvements will be put into place during the 1980-81 fiscal year.

Mr. Speaker, this budget is a result of many hours of hard dedicated work by a number of administrative personnel as well as my Cabinet colleagues. I feel that it reflects our determination to provide the best possible Government services to the people of the Yukon in a most responsible manner.

We did have a number of financial setbacks during the course of the past year, however, we were able to deal with them in a positive and helpful manner with the well-being of Yukon citizens being uppermost in our minds. After a number of years of steady growth we have entered a period of economic slow-down that this Government foresees lasting but a short length of time.

We are confident that there a number of major projects on the near horizon, any one of which will launch us once again into a new growth period.

In the meantime, I and my colleagues are dedicated to ensuring

that the social and economic well being of Yukon and her people continues.

Thank you, Mr. Speaker.

Mr. MacKay: Mr. Speaker, I move, seconded by the Member from Whitehorse West, that we do adjourn debate until a day following.

Mr. Speaker: It has been moved by the Honourable Leader of the Opposition, seconded by the Honourable Member from Whitehorse West, that debate do now be adjourned.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that we do now call it 9:30.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member from Old Crow, that we do now call it 9:30.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 1:30 p.m. tomorrow.

The House adjourned at 7:53 p.m.

Whitehorse, Yukon

Thursday, March 27, 1980 — 1:30 p.m.

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

We will proceed at this time with Prayers.

Prayers

Mr. Speaker: At this time we will proceed with the Order Paper.

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any Documents or Returns for Tabling?

TABLING OF DOCUMENTS

Hon. Mr. Graham: Mr. Speaker, pursuant to Section 4(1)(f), of the Corrections Ordinance, I have for tabling the Annual Report of the Department of Justice.

Mr. Speaker: Are there any Reports of Standing or Special Committees?

Petitions?

The Reading or Receiving of Petitions?

RECEIVING OF PETITIONS

Mr. Clerk: Mr. Speaker and Honourable Members of the Assembly, I have had the honour to review a petition, being Petition Number 1, of the Third Session of the 24th Legislative Assembly, as presented by the Honourable Member for Whitehorse South Centre, on March 26, 1980.

This Petition prays that the decision to implement Yukon daylight saving time be withdrawn until the public and the Members of the Legislative Assembly have had an opportunity to make representations on the matter.

The decision referred to is found in Order-in-Council, 1980/02, and the authority for this Order-in-Council is provided by subsection 36(2) of the Interpretation Ordinance, which states: "Notwithstanding subsection (1), the Commissioner may make regulations varying the manner of reckoning standard time."

It is clear that the Assembly, in passing the Interpretation Ordinance, delegated the right to determine standard time to the Commissioner, or perhaps now more properly, the Commissioner in Executive Council.

In the Fifth Edition of Beauchesne's Parliamentary Rules and Forms, it is stipulated by Annotation 683, that "A petition cannot be considered if it concerns a matter delegated by parliament to another body."

Petition Number 1 deals solely with the decision of the Commissioner in Executive Council, which was made under the delegated authority of this House.

It does not, therefore, conform to the rules recognized by this House and I must respectfully submit that it may not be received.

Mr. Speaker: Introduction of Bills?

Notices of Motion for the Production of Papers?

Notices of Motion?

Are there any Statements by Ministers?

This then brings us to the Question Period.

QUESTION PERIOD

Question Re: White Pass and Yukon Route

Mr. MacKay: Mr. Speaker, my first question is to the Honourable Government Leader. I am quite anxious, Mr. Speaker, to clear up the doubt raised in the Budget Speech last night with respect to the White Pass problem.

I would say in parentheses that it is pleasing to hear they got their problem mentioned.

The Government Leader stated, Mr. Speaker, in his speech, "It is a direct responsibility of the Federal Government to provide the means of ensuring that White Pass remains operational".

Earlier, Mr. Speaker, in the same speech, he said, "The Yukon Government remains committed to the continued operation and eventual extension of White Pass." Will the Government Leader confirm that these two completely contradictory statements now represent his policy on White Pass?

Hon. Mr. Pearson: Mr. Speaker, I do not know exactly how the Honourable Leader of the Opposition is interpreting the Queen's English these days, but, Mr. Speaker, the statements are not contradictory at all, in fact, one does complement the other.

Mr. Speaker, we are making the point as emphatically as we can, that the Federal Government, and I do not care, Mr. Speaker, who the Federal Government happens to be, but the Federal Government of the day does have a direct responsibility in respect to this White Pass situation and, Mr. Speaker, the other fact of the matter is that, this Government does not have the means, and by "means", I mean dollars to assist White Pass. The Federal Government must be the purveyor of that assistance.

Mr. MacKay: Supplementary, could the Government Leader give us some kind of assessment of what his Government's commitment is really worth, then?

Hon. Mr. Pearson: Mr. Speaker, I would respectfully suggest that the White Pass and Yukon Route, a majority of the people in this Territory consider that our commitment is worth something.

Now it might not be worth dollars, Mr. Speaker, but it is worth something in this matter. We are prepared to make that commitment and we are prepared to do what we can to ensure that (1) the railroad is extended and (2) it does keep operating.

Mr. MacKay: Well, I am sure all the Members of the House agree with these sentiments, however, I do believe that some firm action is required, Mr. Speaker and could the Government Leader please consider being more open with this House, and with the public, as to his real intentions with respect to White Pass?

Hon. Mr. Pearson: I must challenge the Honourable Member suggesting that I have not been open. Now, Mr. Speaker, we have said from day number one, from the time that this problem arose, that this Government was very concerned, that we would do whatever we could to ensure that that railroad stayed open and was extended. We cannot do anymore than that, Mr. Speaker.

Question re: YTG Vehicles/Energy Efficiency

Mr. Penikett: Thank you, Mr. Speaker, I would like to move from trains to cars. I have a question for the Minister of Consumer and Corporate Affairs. In view of the Government's stated objective to achieve greater energy conservation within the Government, can this Minister say what plans the Government has to replace, in the near future, many of its large automobiles with smaller, more efficient cars?

Hon. Mr. Graham: Mr. Speaker, I cannot answer that exactly because I am not aware of what Mr. Lang's department is doing in the future as to the purchase of cars, but I can assure the Honourable Member opposite that we have, in fact, implemented or are in the process of implementing a transportation policy for the Government of Yukon.

I expect that this transportation policy will be in place within the next couple of weeks and I will take great pleasure in informing the Members opposite as soon as that policy is in place.

Mr. Penikett: Mr. Speaker, in view of the Minister's recently revised personal transportation policy — you can see it parked in the parking lot — I would like to ask the Minister, in light of the Throne Speech comments on the Government plans to reduce transportation costs for employee travel, will the Minister responsible for Government Services consider using, as a major criteria for the purchase of future government vehicles, the fuel efficiency factors and miles per gallon rating?

Hon. Mr. Graham: Mr. Speaker, I think that that question should be more properly directed to the Member at the opposite end of the front bench here. As to my own personal preferences, Mr. Speaker, I drive that car only when there is snow on the ground. Unlike the Honourable Member opposite, at least I assume from his profile, I do ride a bicycle during the summer months. The fuel efficiency of that vehicle is extremely good.

Mr. Penikett: Mr. Speaker, the Honourable Member for Whitehorse West is saving up for a bicycle.

I would like to ask, whichever Minister is prepared to take the blame, if this government has conducted any preliminary investigation at all to determine which models, if any, of Canadian made, small cars have a proven performance record on the kind of road conditions that we have in Yukon? Has there been any investigation done on that at all?

Hon. Mr. Lang: Mr. Speaker, in respect to the last question put forward by the Member, I will have to take that under advisement.

In respect to the purchase of vehicles, fuel is definitely taken into account. At the same time, there are various needs for vehicles and that largely dictates the size of the vehicle for whatever purposes it is going to be utilized for.

We are making every effort in this particular area in our purch-

ases to look at the energy utilization of the vehicles we purchase, and it is very much taken into account on any purchases.

Question re: Social Services

Mr. Byblow: I have a question to the Minister of Health and Human Resources. It appears we had some communication problems yesterday and I have the question in written form. I would like to present it now:

1. Can the Minister report the activity and degree of progress towards eliminating the discontent over the past year or so in the Field Services Unit of her Department?

2. What improvements have been made in co-ordinated delivery of Social Services in the outlying areas? 3. Would the Minister provide me with a report done on the assessment and involvement of her Department of Crossroads?

Question re: Porter Creek Access Road

Mr. MacKay: I have a question for the Minister of Municipal Affairs, Mr. Speaker. My question concerns a very favourite topic of his, a fine project to which all of my constituents heartily approve, and that is the Porter Creek access road. Can the Minister tell me if the route has been finally settled and legally acquired?

Hon. Mr. Lang: Mr. Speaker, I will have to take that under advisement. I am not totally sure that it has been legally transferred as far as the road right-of-way. It is well underway anyway, Mr. Speaker, which I am sure the Honourable Member will commend this side of the floor for.

Mr. MacKay: I will consider commending him after the answers to my supplementaries, Mr. Speaker.

My second supplementary is, is the Minister aware that significant land holdings in that area have traditionally been claimed by the Whitehorse Indian Band?

Hon. Mr. Lang: Mr. Speaker, my understanding is that it is largely Commissioner's land and subsequently the responsibility and the right to make decisions of road access is the responsibility of the Government of the Yukon Territory.

Mr. MacKay: In view of the difficulties experienced, Mr. Speaker, last year on the Skagway Road where it was blocked by some Native people who had not been compensated for land taken, would the Minister assure that any such compensation that may be due on the route to Porter Creek would be paid before we go much further?

Hon. Mr. Lang: Mr. Speaker, I think that the Honourable Member is raising a very hypothetical question. I will take it just as that.

Question re: Yukon Medical Council/Vacant Position

Mr. Penikett: Thank you, Mr. Speaker. I have another question for the Minister of Consumer and Corporate Affairs. Can the Minister of Consumer and Corporate Affairs indicate when the currently unfilled position on the Yukon Medical Council will be filled?

Hon. Mr. Graham: We have made a recommendation to Cabinet and if we did not make the decision in the last couple of weeks, it will be made within the next week.

Mr. Penikett: Mr. Speaker, can the Minister tell the House whether the Council has yet started its work or whether it is still waiting to have this last position filled before it commences its operation?

Hon. Mr. Graham: Mr. Speaker, the Medical Council, I believe, is meeting for the first time this week or at the beginning of next week. As I say, it escapes me as to whether or not we have appointed the sixth member, but it seems to me that we did last week.

Mr. Penikett: Just very briefly, Mr. Speaker, when might we expect to be advised as to whom that sixth person is?

Hon. Mr. Graham: Next week, Mr. Speaker.

Question Re: Taxation Assessment Rate

Mr. Fleming: Yes, Mr. Speaker, I have a question this afternoon for the Minister of Community Affairs, in the matter of the taxation assessment rate.

As you know, the assessment system has been changed and there is still a rate forthcoming from the Government which none of us know. We feel that we are sort of in a dilemma as to what is going to happen to us and how much we are going to be charged. I wonder if the Minister could inform me when we will be informed as to what that tax assessment rate will be?

Hon. Mr. Lang: Mr. Speaker, I would like to inform the House that the responsibility that I have in the Department of Municipal Affairs is the responsibility for assessment, the responsibility for the percentage levy on property taxation is the responsibility of the Minister of Finance who is the Government Leader.

Mr. Fleming: Yes, it is not actually supplementary, I wonder if the Government Leader could, Mr. Speaker, answer that question

then.

Hon. Mr. Pearson: Mr. Speaker, I have a chart prepared which I hope will be enough to be able to advise all Members of the House exactly what the rates will be. These rates are set by regulation and then are reflected as revenue numbers in the Budget.

I would be very pleased to have the Page pass these out to the Members now. I anticipated doing this during Committee today, Mr. Speaker.

Question re: Mining Policy

Mr. Byblow: Mr. Speaker, I will direct this question to the Government Leader.

Indications by the Government over the last Session, and in this Session, have been that they are formulating a mineral or mining policy in direct consultation with the mining fraternity. I would ask the Government Leader if he could update the House with respect to this policy formation, in terms of discussions with the mining community?

Hon. Mr. Pearson: Mr. Speaker, we are in no position to establish any kind of a mineral policy. We are trying to establish a dialogue, both with the mining fraternity in the Territory and with the Federal Department of Energy, Mines and Resources, as well as with the mineral section of the Department of Indian Affairs and Northern Development.

We are hoping that we will be able to get input into these various groups, who now, in fact, make the decisions in respect to policies that will be carried on in respect to mining in the Territory.

Mr. Byblow: Very specifically, is a discussion of mining policy and development on the agenda with the Federal Minister this weekend?

Hon. Mr. Pearson: Mr. Speaker, certainly economic development will be a topic that will be discussed and it is pretty hard to talk about economic development without talking mining.

In respect to a policy, there just simply is not one.

Question re: Haines Junction School Gym

Mrs. McGuire: Mr. Speaker, a question for the Minister of Education. Is it true that the new gym at the Haines Junction High School has been condemned and what are the reasons for this?

Hon. Mr. Graham: Mr. Speaker, I understand that there are some problems with the Haines Junction School gym. The Government of Yukon has not accepted the building as completed yet and I would imagine that any problems that we do have with the incomplete structure will be corrected by the contractor before such time as the Department of Education accepts the building.

Question re: Commissioner/Position Vacant

Mr. MacKay: Mr. Speaker, my question is to the Honourable Government Leader. The question concerns today, Mr. Speaker, the position of the Commissioner which has been vacant since last fall. Has the Government requested of the new Minister that this position be filled in the near future?

Hon. Mr. Pearson: No, Mr. Speaker.

Mr. MacKay: Will the Government Leader be putting forward this request in the near future and if so, will he be recommending any names?

Hon. Mr. Pearson: Mr. Speaker, the topic of the appointment of a new Commissioner was one that was discussed between myself and the Minister when I met with him in Ottawa last week. I advised him that it was our opinion that at the present time, things were going along quite nicely, that we had a number of major problems that deserve the immediate attention of the Minister and the appointment of a Commissioner was not one of those major problems.

Mr. MacKay: I can well imagine the reasons for that statement, Mr. Speaker. Can the Government perhaps make a commitment to the House that before making a representation as to a name, he would request approval of this House?

Hon. Mr. Pearson: I will not make that commitment at all.

Question re: Land Released for Sale

Mr. Penikett: Thank you, Mr. Speaker. I have a question for the Minister of Municipal Affairs. A press release from the Minister of Municipal and Community Affairs last December stated that large rural land parcels will be released for sale in 1980. Could the Minister give the House any idea as to how many lots will be released, when and where they will be?

Hon. Mr. Lang: Mr. Speaker, we have not quite got to that stage in respect to the process. It is my hope that we will be able to get some large blocks of land on the market this coming year.

We, basically, over the course of the winter, met with the various

groups of people from the areas in question, in fact, they have named three spokesmen. They have had on-going discussions with the department. We have stated very clearly that the priority first of all is to attempt to answer the questions of the people who are now living there and then develop a policy from that point on.

I think, Mr. Speaker, that we should have something of some substantive nature within the next month and, once I do receive that information, if there are any decisions made, I will inform the House at that time.

Mr. Penikett: Mr. Speaker, individuals who bought rural lots privately lately have paid fairly high prices for the land. I would like to ask the Minister if he has yet decided a policy on whether he will sell this land at development cost or at market value and if he has done any estimates on the basis of either contingency?

Hon. Mr. Lang: Mr. Speaker, this is an area that is being examined at the present time and no policy has been made up.

Mr. Penikett: Mr. Speaker, could the Minister at least tell the House if he is considering at all a lease-purchase scheme for these parcels of land, which may, of course, enable people to purchase it through this method, which would not be possibly by any of the other methods that they might have to go to the banks for or get mortgage money for now?

Hon. Mr. Lang: Mr. Speaker, would the Member please repeat the first part of his question?

Mr. Penikett: Is the Minister considering a lease-purchase scheme for this type of land?

Hon. Mr. Lang: Mr. Speaker, this is one area that will be examined as well.

I should point out that we are under some restraints in respect to the selling of land at the present time. It is under market value under the present Legislation. So, any policy change would have to come back for this House, because it would require amendments.

Question re: Haines Junction School Gym (Continued)

Mrs. McGuire: Mr. Speaker, I have a supplementary to my first question. It was my understanding that the gym was completed at the Haines Junction School and it was in use.

This new development will naturally impose additional costs of construction. Will the extra expensive repairs be imposed upon the contractor or this Government?

Hon. Mr. Graham: Mr. Speaker, I thought I was fairly clear in my first answer. The fact remains that, it is my understanding, the building has not yet been accepted by this Government as completed. That is why we have inspectors, to inspect to make sure that those buildings are completed up to standard before such time as we accept them. If they are not completed to standard, then it is the responsibility of the contractor to bring that building up to standard.

Question re: Labour Standards/Special Committee On

Mr. Penikett: Mr. Speaker, I just have one brief question for the Government Leader in his capacity as President of the Executive Council.

Last fall, Mr. Speaker, I asked the President whether he had obtained an expert opinion as to where the material and documents gathered by the previous Houses' Labour Standards Committee, were, in fact, the property of this House or some other body. I wonder if he has obtained an opinion yet on that question?

Hon. Mr. Pearson: Mr. Speaker, no I have not obtained an expert opinion but I will undertake to do so and do it very, very quickly. I do believe, Mr. Speaker, that those documents are, in fact, the property of this House. That is my own personal opinion. I will look into it further.

Mr. Penikett: Mr. Speaker, would the Government Leader also be prepared to seek an order of the House making that material public, so that these documents can be properly used in developing a new Labour Standards policy which I gather the Government is now in the process of doing?

Hon. Mr. Pearson: Mr. Speaker, those documents were gathered as a result of a motion of the last House, one we had nothing to do with. I think I would have to see them before I could say what I would be prepared to do with them as a Member of this House now.

Question re: Teslin-Morley River Area Road

Mr. Fleming: Mr. Speaker, a question for the Government Leader this morning. I wonder if the Government Leader is aware of a road contract in the Teslin-Morley River area from 770 to approximately 790, that was to have been brushed this winter and road building next summer. For the Government Leader's information I can say that the British Columbia side which is approximately six—

Mr. Speaker: Order please. I believe the Honourable Member is now making a speech. Perhaps the Honourable Member could get to the question?

Mr. Fleming: Is the Leader of the Government aware, or was he aware of this project that was to be done this year?

Hon. Mr. Pearson: Mr. Speaker, I am aware that the Department of Public Works Canada did call some contracts, if these are the ones that the Honourable Member is referring to, I am not absolutely certain.

Mr. Fleming: Mr. Speaker, I realize that it is a Federal Government contract but I wonder if the Government Leader would take it in hand to obtain information as to what stage that contract is at today or now.

Hon. Mr. Pearson: Yes, Mr. Speaker, but I am sure that the Honourable Member has the same capabilities as I have of getting hold of the Department of Public Works to find out what state these contracts are at. I would be happy to undertake to do it for him in some of my spare time.

Hon. Mr. Graham: Mr. Speaker, I have received a certain amount of information that perhaps will answer one of the first questions the Honourable Member for Whitehorse West asked me earlier this morning.

The Yukon Medical Council, in fact, has only five members, the sixth member has not yet been appointed. We have a recommendation to appear before Cabinet in the very near future. The first meeting was on March 5 and the second meeting will be held tomorrow.

Mr. Speaker: There being no further questions we will proceed with the Order Paper.

GOVERNMENT MOTIONS

Mr. Clerk: Item Number 1, adjourned debate, Mr. MacKay.

Motion Number 3

Mr. MacKay: Thank you, Mr. Speaker. I must first begin, Mr. Speaker, by congratulating the Minister of Finance for a very cleverly conceived and smoothly executed Budget. It bears the hallmark of a Minister who is looking ahead, several years ahead, Mr. Speaker, and sees various forces at work.

The first force is that he must remember is that fully one-third of our Operation and Maintenance Budget is supplied by the Canadian Taxpayer through Ottawa. He knows full well that given any opening, any Federal Government will find ways of reducing that deficit grant and try to make us more self-sufficient. So it is certainly hopeful in negotiations with Ottawa, Mr. Speaker, to show that just to maintain today's services this Government, and here we sob a little and wring our handkerchief, this Government must go into deficit.

We have a Budget that was presented yesterday that does that.

The second force at work, Mr. Speaker, that the crafty Minister of Finance knows, that there are many social needs in the Territory which, given an opening, would seek ways of obtaining more funds from the Government for their, really unanswerably, excellent causes. It is so much easier to say "no" and point to the deficit and say, "We really do not have the money."

Thirdly, Mr. Speaker, another force at work is that the devious Minister of Finance knows that the economy has been poor over the past year and that the Opposition in the House, having a slight knowledge of economics, perhaps, would pounce upon a Budget that took more out of the economy than was put back in.

Indeed, the Minister of Education, yesterday, carefully anticipated that argument criticizing any notion of deficit funding, only to see a deficit Budget come out the same day. I wonder if these two gentlemen will ever get their act together. However, we see a deficit Budget that will deflate the Opposition's criticisms in advance.

Finally, Mr. Speaker, the wily Minister of Finance knows that the Yukon people desire certain amenities, such as a new swimming pool in Whitehorse, more paving in the communities, such as Watson Lake, Dawson City, better sewage disposals in smaller communities. Just very basic things like that, and again, this deficit Budget makes such requests easily deflected, not only from the taxpaying Yukoners, but also from Opposition MLAs, and, indeed, I suspect the Minister's own backbenchers. So, Mr. Speaker, we were presented with a budget last night that had numerous laudible aspects and apparently very little to criticize. There were really no tax increases except for liquor. Well, I do not drink a lot of beer, but I expect I will be paying a lot more for what

little I do drink, but that is not a big problem. We have got to face reality.

There were no cutbacks in existing services, Mr. Speaker or apparently, none.

It is a responsible government, Mr. Speaker, showing the government not pulling more money out of the economy than it put in, in a time of recession.

Increases in the area of budget, such as Renewable Resources and Tourism, which were mainly funded by the Canadian taxpayer outside of Yukon, will, if successful, create jobs and investments that will help our Territory.

Now, Mr. Speaker, you ask, and I am sure the Members opposite ask, how could a fair-minded person like the Opposition Leader find anything wrong with the sculptural masterpiece, this monument to Liberal economic philosophy?

Well, Mr. Speaker, this reasonable and objective Opposition Leader thinks that the Government and the Minister of Finance is trying to pull the wool over the eyes of Yukoners.

Mr. Speaker, I have looked at the revenue forecasted and I find that it is understated by at least \$7.5 million. So, in fact, a valid budget is that we have a \$4.5 million surplus in this coming year.

Let me explain where the money is. This may come as a surprise to some of you. In his Budget Address, the Government Leader has assured us that good times were just around the corner. We have two medium-sized mines, several large mines, exploration and placer development rising rapidly, many, many more dollars in Tourism through DREE, the NCPC's fourth wheel. I could go on. But the point is, the Government Leader is telling us that good times are coming.

So why, why does he forecast an actual drop in revenue from an admittedly poor year in 1979? Why do we see a forecast in revenue which is less than the real revenue in 1979?

The actual revenue in 1979 was an increase of seven or eight per cent over that in that forecast, but what we are forecasting for 1980 is less than what we got in 1979.

At the same time, he has raised a tax on liquor, which is going to bring in approximately \$400,000 in additional income. It is simply not a credible estimate, Mr. Speaker, that revenues will decline in 1980. So there are about one million dollars, I suspect, that we have not accounted for. That is a low estimate.

The next thing we look at, Mr. Speaker, is we look down and we see that in the spending plans of the Government, they are going to spend \$350,000 on the office of the Pipeline Co-ordinator, which shows this Government's belief, which I share, that the pipeline will be built, because we still must prepare for it. Yet, then, when we look at the revenue from the pipeline, scheduled by the International Agreement, Section 5.(b) of the International Agreement, there is to be \$5 million paid to Yukon in 1980.

When we look for this sum, it is not in the Budget. An amazing omission, Mr. Speaker, considering that the Government Leader, considering the Government Leader said only yesterday, and I quote, "Mr. Speaker, we are in active negotiation with Foothills Pipelines in respect to this \$5 million. The Honourable Leader of the Opposition is correct, the Agreement, from where we sit, is very clear. It says that, in 1980, the Yukon will receive \$5 million."

It is not in this budget. The final omission which makes up 7.5 million, I have six million so far on the table, the final omission for this 7.5 million is that if you look at the Territorial Accounts, Mr. Speaker, which were put on the Table yesterday, which this Government has been aware of for some six to eight months, there are 1.5 million dollars sitting in an equipment replacement reserve, sitting in there illegally, Mr. Speaker, which should be returned to General Revenue, and has not been returned to General Revenue in this budget.

So we have 7.5 million not included in revenue, and do not forget, we are talking a total revenue from these sources of only 16 million dollars. So we are talking an understatement of about 50 per cent, an understatement of revenue of 50 per cent.

Mr. Speaker, it does not take a lot of mental arithmetic to find that this is not a Liberal budget, this is a truly Conservative budget. It is hiding real revenue from the people so that this Government can offer no increase in services. This is consistent, of course, with their previous stands and this is where this House truly divides. So I have unmasked the real budget, Mr. Speaker.

The real budget is we have a surplus of some four million dollars, and I think that in the course of the debate, I may well point out some areas, a few, where some of this money could be spent probably. I could also point some more areas and will, where it could be cut, that the surplus could be increased.

Finally, I think that what should have been done was that the three million dollars should be returned to the people own it - the taxpayers of the Yukon. They should have had a tax decrease in this budget, not a tax increase. Instead, the economy sinking, we need more money in the economy and the Government is taking more and more out of it.

Mr. Speaker, to begin with when I heard the Budget last night I thought it sounded a very reasonable document. I began thinking really, may this be the time that I may honestly and sincerely agree with the other side, because it is not hard to agree. It is much more difficult to be the mean guy that is always finding things wrong, but I am forced to fall back on my duties to the people of the Yukon and point out this horrendous amount of revenue that has been taken from their pockets and dumped somewhere in this vast Government bureaucracy and hopefully will be reappearing next year. Probably I suspect Mr. Speaker, we can expect a substantial decrease in taxes that might coincide with 1982 in which there may be a Territorial election.

Let us not forget that it is our money they are playing with, so, Mr. Speaker, I have to move an amendment to the motion.

The amendment reads, adding after the word Government the following words, "but regrets that the Government has significantly understated the revenue of the Territory and incorrectly analyzed the economic problems of the Yukon".

Mr. Speaker: Is there a seconder?

Mr. MacKay: Seconded by the Member from Kluane.

Mr. Speaker: Order please, may the Chair have a copy of the amendment?

It has been moved by the Leader of the Opposition, seconded by the Honourable Member for Kluane, THAT this motion be amended by adding, after the word "government", the following words: "but regrets that the Government has significantly understated the revenue of the Territory and incorrectly analyzed the economic problems of Yukon".

Mr. Penikett: Mr. Speaker, we have just heard from the Liberal Leader the prospective of the nouveau riche. I would now like to give to the prospective, Mr. Speaker, of the nouveau pauvre.

I see the Minister of Public Works getting restless, Mr. Speaker, I am not going to use many French words, so he can put his Leonard Jones badge back into his purse.

I would, Mr. Speaker, like to move that this motion be amended by adding, after the word "government", the following words: "but regrets that the Government has significantly understated the revenue of the Territory and incorrectly analyzed the economic problems of Yukon".

It is moved by myself, seconded by the -- pardon me, wrong motion. Having heard that one, Mr. Speaker--

Mr. Speaker: Order.

Mr. Penikett: Moved by myself, seconded by the Member for Faro, that the amendment to the motion be amended by adding the words immediately after the word "Territory", "and further, in doing so, the Government has failed to correct the declining economic position of the working people of Yukon."

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse West, seconded by the Honourable Member for Faro, a sub-amendment to Motion Number 3, THAT the amendment to the Motion be amended by adding the following words immediately after the word "Territory": "and further, in doing so, the Government has failed to correct the declining economic position of the working people of Yukon."

Mr. Penikett: Mr. Speaker, the majority of Canadians call themselves middle class, many more of them, in fact, than economists and statisticians would admit to this category, and that is not so bad. In a way, it is a tribute to our democracy.

Perhaps, in a truly egalitarian society, everyone would describe themselves this way.

The Canadian reality, however, reality in Yukon, is somewhat at odds with this mass illusion of affluence. For millions of people, millions of families, the truth is that they cannot keep up with inflation. There are increasing numbers who live in nothing more than genteel poverty.

Most of us grew up in homes owned by our parents, but, more and more of our children are being raised as tenants. In our youth, we were educated for respectable, white-collar careers, only to find there was little demand for our talents. We now discover our more practical neighbours who have trained as carpenters and electricians gain a better wage, when they can get work.

In the last few years, incomes for working people have fallen behind the rising costs of living and it is now necessary for both

partners to get jobs, if they can find them. Once they have achieved that successful state of affairs, they can wait for the Federal Department of National Revenue to come down and attach an even larger percentage of their incomes.

Many of us, like the Minister of Education before his elevation to Cabinet and acquisition of a Jaguar, are making it a virtue of necessity and riding bicycles, instead of cars. We are discovering fish, chicken and hamburger. We are getting poorer, Mr. Speaker. We do not want to accept it, none of us like to admit failure. We cling to our dreams in the face of our Charex bills and rising mortgage interest rates.

At the turn of the Century, to be a pensioner was synonymous with poverty. There was a stigma attached to pensions. We are passed that prejudice now, but today, many of us cannot imagine anything but penury on the kind of pension incomes on which our formerly homeowners, car-driving and beef-eating parents must subsist.

The nouveau pauvre grow more numerous by the day, Mr. Speaker. We may soon even be the new majority, but we seem to find ourselves effectively unable to change the way things are. We, like the real poor, are powerless.

Well, who has got it, —power, that is— if we have not? Who has the power? If it is an "us and them" situation, who are the "them"?

Now, I have heard some of my friends across the floor suggest that somehow it is the unions. Is it the unions? Obviously, a lot of union members are, themselves, or see themselves, as middle-class even though, originally, trade unions were created to protect, quite literally, protect the working class, not what was known then as the bourgeoisie.

Workers, in my opinion, have too little status in our society, so not surprisingly, middle-class people do not speak well of unions. They are reluctant to admit that they too, are working class, however, in economic self-defense, they are joining unions. The so-called white-collar or public service unions are growing rapidly and the fact is, the largest unions in Canada now are Government employee organizations. True, Federal employees are joined in an alliance and teachers have their federations but they are unions, nonetheless. That bank-workers are now joining unions is, I guess, an admission of the obvious. If it ever was, a suit is no longer a sign of financial success.

People without unions are inclined to believe unions are too powerful. The power, like poverty, Mr. Speaker, is relative compared with big business and that other popular ogre big Government, union power is pretty puny.

In recent years, even its limited power has been pinched by rising prices, wage controls, and unemployment. Blue and white-collar workers have in common the reality that they both lost ground to inflation and the only groups less powerful than unionized workers are the unorganized and the unemployed.

If working people do not have the power, what about big business?

What about prices? Now, we all know, whether we admit it or not, that big business sets prices and as the saying goes, "who is to stop them"? Government? Few Governments ever seem prepared to trade the generous support of the rich and powerful for the gratitude and the humble prayers of the poor. As a result, big business has to negotiate with no one and it enjoys practically unrestrained power to set prices. As we have seen nationally, recently, if it does not get what it wants, it simply takes its money and runs away with our jobs.

We get mad about prices but do we get mad at the price hikers? Of course not. Why? Because we work for them. Think about that. We work for them, not for ourselves and that is a very sad fact of life for most of us in our modern economy. If we do not like food prices, for example, we are free, in our free enterprise economy, to fly to Yellowknife or Toronto to buy our groceries.

We have but one wholesaler in Yukon, Kelly Douglas monopoly, owned by Weston Foods. The largest retailer is Super Valu, also owned by Weston Foods. Retail food prices in Whitehorse are approximately 30 per cent higher than the Vancouver area. Wholesale prices here are only 16 per cent higher than in Burnaby, an adjacent community.

So what happens on the Two Mile Hill, between the Weston-owned Kelly Douglas warehouse and the Weston-owned Super Valu store in downtown Whitehorse? Is it wages? No. They are about the same in BC and Yukon. Is operating costs? It could be. The Government, I think, has said that we use twice as much energy per capita, as the rest of Canada, but that still does not explain this discrepancy between 16 and 30 per cent, the 14 per cent differential between wholesale-retail food prices from the same company in the same town.

As I mentioned to the Minister of Consumer and Corporate Affairs yesterday, it was five years ago that the Federal Food Prices Review Board recommended an in-depth study of food marketing and that "the profitability of Northern food retailing outlets also be examined". Beryl Plumptre's board questioned the Northern practice of "applying a fixed percentage markup to laid down food costs which include wholesale and transportation costs resulting in much higher gross margins in Northern stores than in most parts of Canada".

As a rule, Mr. Speaker, supermarkets in the United States make one cent on every sales dollar, while those in Canada earn, on average, 2.58 cents on every dollar. We can only guess how much Super Valu in Whitehorse makes on every dollar.

Of course, our Government, to my knowledge, has yet to take the trouble to find out. Meanwhile the poor, confused, middle-class, working person leaves more and more of his or her weekly paycheque in Mr. Weston's hands. For example, yesterday a constituent phoned me with the following information: she said in the Vancouver Super Valu Store thirteen ounces of fresh strawberries were selling for 69 cents. At Food Fair in Whitehorse, the same fresh strawberries were selling at 99 cents a package, roughly 30 per cent more. At the Super Valu store in Whitehorse those strawberries were selling for \$1.79.

Mr. Speaker, the one thing you can be sure of: one guy who does not have to buy strawberries in Whitehorse, is Mr. Weston.

Now I talk about food prices and they are a large part of the family budget, but two thirds of a family budget is made of food, fuel and housing costs. What about gas and fuel costs?

Liberal and Conservative Governments nationally have subsidized fuel prices in Quebec and Eastern Canada. What about the North? The Government Leader, I think, said last year that he would try to get a Yukon subsidy from the oil import fund, and I guess the reason that we have heard nothing further on that is I understand the fund is, for all intents and purposes, broke.

Recently, my Federal Leader, Mr. Broadbent, proposed to subsidize northern energy costs by cancelling some tax gifts to certain energy companies.

Hon. Mr. Lang First of all, Mr. Speaker, I would like to say that perhaps he is meandering somewhat in respect to the question at hand under Section 21(b) and I would like a ruling whether or not he is addressing the question which is the Budget.

It seems to be, Mr. Speaker, that if we are to discuss Super Valu, or whatever, there should be a resolution of that kind on the floor as opposed to what we are actually discussing and that is the business of Government.

Mr. Speaker: Perhaps in the Budget Debate, budget covers quite a latitude of topics. I must say that perhaps the Honourable Member has digressed somewhat from the Budget as the Chair would see it; however I would ask the Honourable Member if he could keep his remarks a little more closely related to the budget material at hand.

Mr. Penikett: With respect, Mr. Speaker, I have not strayed whatsoever from the topic before us. The topic is the amendment that is proposed, the declining economic position of the working people and the failure of this budget to address this situation. And that is my subject, Mr. Speaker.

Mr. Speaker: Proceed.

Mr. Penikett: Mr. Speaker, Yukon consumers might hope to see their government promoting Mr. Broadbent's idea in Ottawa but we have not heard anything yet. I know they have been busy recently and I expect that they will be getting on to that project in the very near future.

Mr. Speaker, if you own an oil company or a bank, higher energy prices and higher interest rates may be great. If you do not, and that includes practically everybody, you are out of luck.

As the gas pipeline creeps over the horizon, housing will be in short supply, but does this Government have any rent controls ready to protect our permanent residents? No, the Government of Yukon did not even do that even when our wages were controlled and every other province in Canada had rent controls.

Now, in my view, Mr. Speaker, there has been no excuse for this failure for the Territorial Government had exclusive jurisdiction in this field. Until yesterday, Mr. Speaker, when the Government Leader indicated that there would be some action, there had been no answer at all, except the favourite answer from the Minister of Municipal Affairs, that people, not government, must help themselves, the old, I think what a political scientist called "the government is the enemy of the people argument". It always leads me to wonder whatever happened to "governments of the people, for the people, by the people", et cetera.

As long as we have got jobs here, Mr. Speaker, it is easy to forget what unemployment costs us. For every working person, if you add up all the costs in taxes and unemployment insurance rates, welfare costs, it comes to about \$1,000 a year.

In Yukon, at any time, between one-tenth and a quarter of our workforce is out of work. It is bad enough for the taxpayer, but for the jobless family, it is quite literally a disaster.

But what has been our Government's answer? Our Government has had an explanation for what may be an illusory drop in unemployment recently and that is the exit or the exodus of some section of our workforce. But significantly, as a solution, is not very satisfactory, because it is not that different from Mr. Trudeau's famous dictum to the unemployed youth that if they wanted a job they should go to some other country.

I seem to recall that, thinking of Mr. Trudeau's comment at the time, it was hard to find a policy statement that is so simultaneously heartless and mindless.

The problem is, I think, in the current economic environment of Yukon, there really is not anything in this Government's plans to give the Yukon working family any real peace of mind.

The Minister of Municipal Affairs is keen on people building their own homes, but at his salary level he does not seem to realize that the average family, the average family in Yukon right now just cannot afford a mortgage on one income today. That is just one more reason why we need quality daycare in this community. He is prepared to blow half a million dollars this winter building a road to a snowbank, but not a penny, not a penny is the Minister prepared to spend on daycare, not a nickel for the kids of working parents, the development of our future citizens.

We heard the excuses last year, Mr. Speaker, when ordinary people suffered what I believe were more unfair tax increases with Medicare and fuel tax increases, but now we are hearing it again. This time maybe it is only the price of beer, and if you happen to be a teetotaling gentleman like myself that is perhaps not of great concern, but I understand a couple of my constituents do drink beer and, no doubt, they will be properly incensed by this development.

Seriously, Mr. Speaker, can anything be done about the economic situation in Yukon and is it all Ottawa's fault or the United States' government's or something, as some people would have you believe? I do not think so. I think, in the end, Mr. Speaker, the critical reality is that governments make choices, they make their choices. Consciously or not, they choose who will benefit from their reins.

Look, for example, at the relative share of federal taxes paid by people in corporations. In the last 20 years, the corporate share dropped from 52 per cent to 24 per cent and the personal share went from 48 per cent to 76 per cent.

Look at the provinces. Their choices are clear. Compare them with Yukon. Saskatchewan gives the clearest record of New Democratic Party performance in government, because that Party has been in power there continuously since 1971.

Let us compare that record with Yukon and with the two most prominent Progressive Conservative Governments, Ontario and Alberta. It is hard to compare with a provincial Liberal Government, of course, because there is no such thing.

Look at the question of services to people, Medicare premiums. Saskatchewan Medicare premiums, they have none. Ontario, for a single person, they are \$240 a year; for a family \$480 a year. In Alberta, they are \$91.50 a year for a single person, \$183.60 for a family person. In Yukon, I guess, they are \$78 for a single person now and \$126.90 for a family.

Charges to patients, well, we do not stack up badly there; hospital charges, because it is the same here as it is for Saskatchewan, even though there is a \$9.80 a day charge in Ontario, chronic care fee in Ontario, and a \$5 admission fee in Alberta.

In terms of hospital beds available, we do not have control of health care yet. The Minister of Health might be interested in knowing we stack up not badly.

Saskatchewan has a prescription drug plan. None of the Tory governments have. Saskatchewan has a hearing aid plan. None of the Tory provinces have. Saskatchewan has a fairly large budgetary item for aids to the handicapped.

You look at the question of car insurance. In Saskatchewan, the average driver over the age of 25 pays \$232 car insurance a year. In Toronto, a similar driver pays \$441 a year. In Calgary, it is \$348, and in Whitehorse, \$407.

For the average 20 year old driver, a Saskatchewan driver pays \$232 in insurance a year; in Toronto, \$1,044; in Calgary \$1,380; and in Whitehorse \$1,273.

I want to emphasize this point about choices. Canada used to have the second highest standard of living in the world. It is now somewhere between seventh and tenth, I understand. Most of the countries that have passed it by have social democratic governments. They have governments that made choices on behalf of their citizens. They won re-elections and in making those human choices, they built not only a more humane, but a more successful economy.

This Government has made its choices, Mr. Speaker and in the election that will come in a couple of years from now, the working families, the people will make theirs.

Pride, unfortunately comes before a fall, Mr. Speaker, and unfortunately it may be necessary for many an average Yukoner to realize just how much more poor he has become before he is prepared to vote to tip the scales in his favour. By that time it may, of course, be too late for this Government, but I sincerely hope it will not be too late for many Yukon families.

In closing, given the opportunity, I would just like to summarize the kind of things that I would like to have seen in this Budget.

One, I would provide some money, some funds for daycare, not just for the kids but in an economy like ours, with participation rate so high and the need for so many families to have two incomes, I think it is an absolute social and economic necessity.

I would pursue, with some vigour, in a budgetary way, the policy, the alleged policy of this Government, to decentralize to rural communities.

I would introduce rent control legislation now, so that it would be there, available, when we need it, if we start to have some dramatic rent inflation.

Some of the talk we have heard recently about stimulating small business is fine. I would have been, I think, particularly aggressive, as the Minister of Renewable Resources would want in stimulating non-renewable resource based industries and seeing what economic potential there was in our agricultural fur and fishing.

Finally, Mr. Speaker, and I think this is the tough part, we have to realize that our tax system needs reforming and the tax burden on the working person right now is unfair as compared with big business. I think we have to see the harsh reality that there are many foreign-owned concerns that in the history of this country and in the history of this region are, quite literally, permanently removing the wealth of the area outside of our domain. We can never recover. Unless we tax them effectively, recover our share of that wealth, recover a decent return from that wealth at the time we do it, we will do irreparable and permanent damage to our economy.

Now, it has often been mentioned that the most obvious example recently is the question of gold, even when it has been up around \$500 or \$1,000, the royalty, in fact, because of some ancient Federal Legislation is still, I understand, has stayed around 22.5 cents.

That is obviously a Federal responsibility but it seems to me it is symbolic of the kind of problem that we have, the kind of difficult situation we have in terms of our resource economy. We could have a new mine but the profits might be going to New York, the taxes to Ottawa, the jobs to Japan, because most of the jobs are in the processing and in the refining of resources and if we are lucky we might get a hole in the ground which could use as a municipal dump.

Sure, this kind of situation is the fault of the Federal Government but there is more power and responsibility, and I use that word "responsibility" advisedly, flowing to this Government.

We are going to have to be tough-minded to admit that now we have that income tax power. In future years we may have to use it to make the hard choices for the benefit of the people who live here, not the benefit of people from other jurisdictions, that is not our responsibility. I do hope that in the next budget this Government will do exactly that, will decide that it will make some hard choices, some tough choices for the benefit of the community here, for the people in this community, to the benefit of those people and I would say, Mr. Speaker, if they do that to the everlasting credit of the Government of the Yukon.

Thank You, Mr. Speaker.

Mr. Speaker: Is there any further debate on the sub-amendment?

Mr. Fleming: Yes, Mr. Speaker, I do not propose to really vote for the motion that is before us this afternoon. I have some reasons. I do not have to get up and give the Government a real going over as a political person, or for some political party, therefore my remarks may be more inclined to deal with what the Government possibly could do in areas where I think they may have left out something, and some way maybe to solve the problem.

I do not totally agree with the Honourable Member of the New Democratic Party, in some areas of unions and such. However, I will say this, that I find that Government in so many stages and areas, as he has said, where unions are involved will go to the extreme extent of even putting them in jail if they do not do as they say. I do not know that this is helping our economy, but it certainly shows that Government is not really, in some cases, actually listening to the people down at the grassroots level.

I think where governments might fail also and this one here, possibly, is in the area of not controlling big business. They are willing to control the people, they are willing to control even, as I say, the unions, and though the Honourable Member feels those unions are very small today, I do not think so. I think they are getting fairly large today. Of course they have no choice but to fight back, as he said, but where government fails, is possibly to see that they do not have to fight back in many instances. They do not control in any way, shape or form, as far as I can see, and our Government has the same philosophy, or seems to have, in the area of multi-corporations and big business.

Just for a little example, I would like to say something about an area in the Yukon and a business thing is going on in the Yukon today that might just give you a clue as to what I am speaking of. Where there is no legislation, for instance, to control such a company as possibly Ford. Now the Honourable Member is frowning I do not think he knows what I am talking about. I am sure he does not.

Just for an example, I am going to say what they are doing today, right in the Yukon Territory. There is no legislation, they are completely free to do as they please. Nobody seems to care, or wish to put legislation into effect to control these people. They are offering \$500 and \$300 to individuals who come and buy their cars and they are saying, "We are going to give you a gift."

It is a free country, I know, but I feel you can only go so far.

People go down, they buy a car, as an example, make it an extra \$500 they think to buy gas to drive out of the yard. I would say that this is actually a rip-off and this is part of the cause of we, the government, having to have so many social programs.

The Honourable Minister still does not get the picture. He probably never will. He probably does not need to worry, he can go down and buy the car, but I am speaking of many, many young people today who need a vehicle in the Yukon Territory, who buy this and they go down.

That company, as a big corporation, is using a gimmick to loan them money and that \$500 loan, which is always on top of the price of that car, no matter if they say they are giving it to you, it is something that will be on the books for three years with a finance company in this country and, at a rate of 15 to 16 per cent, will cost those people another \$150, so it ends up being \$650 in those three years. It will be carried to the very end of that loan.

This type of thing is going on in the multi-corporations all over and has been going on all over the States for years. I, myself, think that this is possibly where we might legislate, in some cases.

Believe it or not, if you do not understand and I think I do and I am not very smart so some of you should see through it. These kinds of things can cause the country and the people who get involved in them to get into a state whereas they may need social programs.

I am not for social programs as much as some may be. This Government, I think, has exercised their right very well in this last Budget, in not allowing too much in the social area. I am going to commend them on it, although I know people are actually in need of them. But, there is a certain amount that cannot be done. Money has to come from somewhere.

In the area of raising money, it is very interesting to note that the Government can talk for a full year on the changes in their policies and so forth, and I am referring to the taxation department, and this is one place where, if I really knew the facts, I may vote with this motion and I may vote against the Government's Budget, if I really knew just what happens.

I am not as well acquainted with the audits as the Honourable Leader of the Liberal Party. I surely wish I was. I might be able to see into some of these things.

Somewhere, I think, something is being missed, in the area of taxation, but I am not just sure that it might not be hidden somewhere in there and it will come forth later and I will find out about it.

The area of the taxation to the ordinary person in the Yukon Territory, it is very interesting, as I say, to note that over the past year, we have changed the assessment system, we have changed the mill rate to just an assessment rate now. All through that there were motions moved, the ordinance came in, there were many

things happening. The Minister always says, and I wish he were here to listen, the taxes would be no more, naturally, this year than they were last year, that the Government was going to gather, to pay the bills and so forth of this Territory, the same amount as last year, however, the system would change.

Well, Mr. Speaker, the system may have changed, but the principle of paying more taxes certainly has not changed. It is very simple, even for somebody like myself, to sit down and say my assessment was \$5,000 last year at 39 mills, and I paid \$195.

Hon. Mr. Lang: Do you want mine? I would trade you straight across.

Mr. Fleming: Mr. Speaker, I do not think that the Honourable Member is really sure what his taxes probably are today.

However, that is very simple. However, under the new assessment rates, that \$5,000 would now read \$20,000, normally, across the board, four times what it was before. It has not been changed.

So, under the old assessment last year, and the mill rate, or, as we call it now, the rate of assessment, the person with \$5,000 would have paid \$195, Mr. Speaker.

This year, under the same assessment, except that it is four times that much, that same person will pay \$240. I think that is an increase in taxes.

If it was \$20,000 in your small business last year that your assessment was, you would have paid \$780. I am taking the assessment rate off the Teslin area, by the way, because they are different and I do not know why some are different than others.

This year, that assessment would have been on the assessment notice \$80,000. Under the rates today, that person would pay \$960, that is up \$180 from last year. It is not a big, big rise, Mr. Speaker, in some ways, however, it certainly is not the same as last year.

As I say, I expected the rise in that area. I felt that the Minister, all the time that he was saying the taxes would be approximately the same as last year, was saying that the general tax may be the same, but we are going to pump the school tax in, but just neglected to say that, I think that is the way it happens in government, so you are not too well informed. However, possibly not.

I think the Government has exercised restraint in their Budget, in the area of hiring and so forth and in many of the other areas I looked at, and I am not going to stand up here and belabour it because I am going to vote for the Budget as it is, with the little things that I have said this morning that bother me a bit, because I am not too sure exactly where some of the money really is.

Hopefully, during the Session somewhere we will find out where the money is that I feel is not in the Budget today.

Thank you, Mr. Speaker.

Mr. Hibberd: Mr. Speaker, it is with considerable interest that I have heard the various approaches to the replies to the Budget this afternoon. Indeed, we are getting a variety of responses and I think that is not unexpected, under the circumstances.

I can well appreciate the dilemma of our representative of the NDP, who gave, as usual, an eloquent and lucid accounting of the rather trite NDP approach to our economy and our own political philosophy. But, in disillusion, what he is really telling us is that he wants more bureaucracy, that he wants more taxes, that he wants government to be bigger, that he wants government to control more and more of our everyday lives.

We can take instances of this, Mr. Speaker. The problem of rent controls has been raised by him on more than one occasion. Rent controls, presumably, as they have been instituted in the provinces at various times, set a limit in the range of eight to ten per cent. Sure enough, as soon as that limit is imposed, that is the rent increases that go by on an annual basis.

Well, we are rather more fortunate in Yukon. We did not see fit to impose rent controls and, therefore, our rental increase over the last year was 6.4 per cent. I think it is incumbent on the Government to continue monitoring what is happening to rents, in the event that they might become explosive, but, in the meantime, we are saving ourselves a good deal of money and another bureaucracy, as well as saving the renter some good money.

We might also apply some of this to the problem of price controls. We all know there is a major problem in the prices that northerners face in their everyday living. But it is not that long ago when the Federal Department of Consumer and Corporate Affairs did investigate the very issue to which the Member is referring.

At that time, that Federal department, which had, certainly, the power to investigate whereas we did not, found that there was no evidence to suggest any monopolistic tendencies at that time.

Now, I would suggest, Mr. Speaker, that by the imposition of

another bureaucracy this time of considerable cost to the taxpayer, we would again find ourselves in the unfortunate position of attempting to control prices, but only on a very ineffective basis.

As the provinces have indicated with their rent controls, which they are now moving out of, they are, indeed, a very, very difficult thing for government to control. There are various ways that they have found around even in the good province of Saskatchewan, where Socialism has its little day in Canada, the people who administer that program are, at the present time, trying to find ways to extricate themselves from the mess they now find themselves in.

Mr. Speaker, I might like to mention at this time, in referring to the Budget Speech, one remark made by the Leader of the Government at the time when he referred to the opening of the Session and indicated that one reason it was delayed was for the Arctic Winter Games that were taking place in Whitehorse at the time.

Now, I do not think any of us have taken the opportunity to mention the Arctic Winter Games since our House reconvened, but I would like to take the opportunity to do so.

The last two places where the Arctic Winter Games were held, in Schefferville and Ft. Smith-Hay River, there was considerable financial loss imposed on the host communities and Whitehorse and the Yukon undertook the Games at this time with a good deal of trepidation. It soon became apparent, as the week started and the Games went on, that there had been a tremendous amount of excellent organizing done. There had been a lot of good administrative work done to put the Games on. There had been a truly amazing amount of volunteer work that went into making the Games, and the athletes came through in a very superlative fashion.

With these three factors, Mr. Speaker, we have had, I think, without a doubt, the most successful Arctic Winter Games that there have ever been and we have managed to put it on a pedestal that is going to be hard for Fairbanks to match in two years time.

I would like to point out a couple of other things that I think are really noteworthy. One of them is the Yukon team itself, in their competitive spirit and their involvement in the Games, still found time and disposition to achieve the recognition of being the most sportsmanlike team involved in the Games and they deserve a great deal of credit for that.

The other item that I think is truly remarkable that really does require commenting is the number of volunteers who gave so much of their time to making this such a tremendously successful Games. I will no longer believe the stories that I hear about the inability of Yukoners to contribute, of their own free will, to the success of a project if they believe in it because they believed in this and they showed it, by the thousands, that they could do it and they did and they are to be commended for their efforts.

Applause

Mr. Hibberd: Mr. Chairman, I think the Honourable Leader of the Opposition did have difficulty when he saw this Budget; I can really see what he was going to do. He said, now here is a Budget that looks very reasonable; it looks very responsible; it is not going to increase taxes, it is not deleting programs, this is, gosh, this is going to be hard to get at, what am I going to do? So he really went over this all night and I do not think he slept very well. The only way he could get out of it is he started having to call devious, it is devious because it has got me, that is why the devious, Mr. Speaker, not because the thing itself is devious but because it could not deal with it. It was just too good for him to handle. I think this is where he got into the problem. He did not contrive, I think would be the best way to describe, some of the areas that he had to get some criticism in for what it is worth. So what does he do, he says 'we have not got the revenue', or rather we have revenues that we have not accounted for and the largest one that he points to \$5 million, which he, himself, was inquiring about in the House yesterday, that is due to this Government from Foothills Pipeline as tax revenues for the year 1980, as per Agreement.

As answer he received yesterday, because of the delays in the pipeline, Foothills Pipeline does not consider that they have to pay this. I am sure the Leader of the Opposition would be the first to scream if we put down something that looked like it was on its way to court, but certainly on its way to negotiation. If we put this down as an actual revenue long before it could possibly be counted as actually being ours, I think it really exemplifies how desperate he was to reach for such straws.

Mr. Chairman, I think with the spirit of restraint of this Budget, no general increase in taxes and no reduction programs, it is a very responsible Budget, that has indicated that the Government of the Yukon Territory does indeed have a great deal of trouble in maintaining its financial balance with the revenues that it has available to it.

In short, it is in a squeeze, with the small population and the

funding that comes from the Federal Government. But all this, I think, points, Mr. Speaker, to the very importance of the Heritage Fund that is being negotiated at the present time. This Heritage Fund, from the Pipeline, is supposed to represent the gains for Yukoners, for having a Pipeline going through it, for all the social and economic upheavals that might accompany the construction and maintenance of the Pipeline.

I think of such things as the difficulty that Whitehorse has had getting some funding, at least, to start a recreational complex, particularly a swimming pool. These things are indeed most important, as a compensation for getting the Pipeline.

Now we were originally informed that we had a limit of \$50 million as a revolving fund for our Heritage Fund. But it is highly impractical for us to be able to consider that to be of any real value to Yukoners in the amount of revenue that it could generate for us. So we managed when the Government changed in Ottawa to get a different position from the new Government, the then Conservative Government, that this would be subject to renegotiation, it was to be looked at again. So we breathed a sigh of relief, maybe we would get some benefits from the pipeline after all. Well, Mr. Speaker, I would sincerely hope that the now Liberal Government in Ottawa will recognize the folly of its earlier days and will grant us the opportunity to achieve these benefits from the pipeline by being more realistic in the ceiling of the Heritage Fund.

Thank you, Mr. Speaker.

Hon. Mr. Lang: Mr. Speaker, I thought I should stand up and speak to the resolution in view of some of the comments that were made across the floor.

I want to make it very clear, Mr. Speaker, and it has to be stressed that the budget before you is not a 'deficit budget' as the Leader of the Opposition has indicated. When you have a deficit, it means you owe somebody something. We have managed to come up with a budget, Mr. Speaker, with a projected \$5 million working capital but at the same time indicated that we have had to dip into our reserves in order to come up with the budget that has been presented before you.

The other point that has to be made, Mr. Speaker, is that the increase that we got, we received from the Government of Canada and we recognize that the Government of Canada is in trouble financially, there is no question about that, is 3.8 per cent.

So, we have come forward with a Budget, within our own resources, a very responsible Budget and a Budget that we feel will serve the people of the Yukon Territory very well.

I think the point that has to be stressed is the fact that we have managed to bring forward a budget with only one area of taxation having to be considered and that is the liquor tax, which is really bringing it into parity with our sister provinces.

I should point out to the Honourable Member from Campbell, I believe, and I am glad to hear that he is going to vote for the Budget because I know that he was speaking of the assessment taxation legislation that he voted for—I want to stress that, he voted for, last Session, so that we could get more equity in the system. I note that in the chart that was handed around Teslin is going to be paying less than they did the year before as far as the accrual and the total money that comes into the Government.

I will not disagree, Mr. Speaker, that perhaps the Honourable Member was not paying enough last year, I would be the last one to argue that and perhaps he would be, too.

But, Mr. Speaker, going a little bit further, I would just like to stress to the Member of the nondescript party, that I feel very strongly that the amount of money that we have put forward is a good reasonable budget. It is one in which we are attempting to address some of the social problems that we have in the Yukon Territory, but I think that there is one fundamental principle that the Member never speaks of and that is why I am glad that he is on that side of the floor and we are on this side of the floor, because he never speaks of the responsibility of the individual.

Government has a responsibility, but so does the individual. Social assistance has been made available for people, but, at the same, we expect those individuals receiving money from you and I and the people we represent, we expect those people receiving it to do something on their behalf as well.

So, it is a two-way street, Mr. Speaker, and I think that the Honourable Member should address his philosophy and I can say this, he sounds very good as a philosopher but I do not think I would hire him as a treasurer.

Mr. Speaker, one more comment in respect to the Budget and the Leader of the Official Opposition states about the Canadian taxpayer paying towards some of our costs. Well, Mr. Speaker, I am a Canadian taxpayer, too. I not only pay Territorial tax, but perhaps

maybe the Honourable Member has a line into the Government of Canada and perhaps he does not have to pay Canadian taxes. I do not know. Maybe we could examine his own finances.

The point I am making, Mr. Speaker, is that we all do pay Canadian Federal tax, whether it be income tax, even excise tax, and we are all in this thing together, so the constant hammering that the Canadian taxpayer or the equalization of payments should be immediately eliminated, I cannot accept, first of all as a Canadian, because I believe that is one of the major principles of why this country is still together, and, secondly, as a Yukoner.

Thank you, Mr. Speaker.

Mr. Byblow: Mr. Speaker, I rise in debate of this, what I believe to be, at this point, a subamendment to an amendment.

I do not think I will address the broad latitude that was exercised by some of the previous speakers. I am not prepared to add my philosophical analysis to or about the social ills or bureaucratic management or mismanagement of our government in society, nor am I about to assess in which column five million dollars should be placed.

I wish to confine my remarks, Mr. Speaker, instead, to a prospective in a much more restricted sense, a restricted sense in terms of the economic aspect of the budget.

Firstly, though, I would rather respond in a general sense to the total Budget. I would add a compliment to the Government on the Budget, in that the Government has not gone to an already overburdened paying public for more revenue to operate its responsibilities and services. The tone of the Budget, one of restraint, as all agreed, is a responsible move. This appears to be questioned as to whether in fact it is a deficit budget, and I believe it is, if you are spending more than you are gaining back.

Deficit financing, under proper direction, of stimulating growth and development, is a favourable thing. Budgets that address the social wellbeing of society are necessary. It seems that when budgets can establish a happy medium between encouraging growth and development and maintaining services without precipitating extra taxpayer and consumer burdens, that they are successful.

In essence, this Budget appears to do that. So, my comments then shall be restricted to an aspect of the Budget. In a sense, it deals with priorities.

It has been emphasized, Mr. Speaker, that while we are experiencing a sagging economy, we look with optimism towards a bolstered productivity by several potential mines coming on-stream.

We see in the Budget a 55 per cent increase in the expenditures of the Department of Tourism and Economic Development, a 43 per cent increase in the spending by the Department of Renewable Resources. Translating these percentages into dollars, that is dollars that relate directly to the encouragement of government of providing incentive to those mines, is something in the order of \$400,000, again, mostly recoverable, mostly in administration and in the preparation of resource inventories.

Mr. Speaker, I sympathize with this Government in the problem of jurisdictional boundaries relating to mineral and resource development. I understand that mining is a complex combination of many factors, such as market, transportation, energy, labour, quality of product, and so on. But my point is simply this, Mr. Speaker, when you have a sagging economy and you do not want to reduce the level of services, nor affect or burden the paying public to maintain those services, you direct revenue into those areas that not only return revenue, but create jobs and strengthen the economy.

What really, Mr. Speaker, does the Budget do to encourage the mining industry, the industry that I do not have figures for, but the industry that keeps this Territory alive?

Again, I appreciate, I sincerely appreciate how hands are tied by government over jurisdictional matters, but somebody has to show a little more aggressive leadership, of putting in place those factors to encourage this development, this development that, in a controlled fashion, strengthens the territorial tax base, provides employment, permits an increased level of service and quality of life — that phrase we have heard so often — and secures a directional thrust of the government in policy, in terms of looking towards the future wellbeing of the Territory.

I cannot help but note, Mr. Speaker, where the highways are being built, where government facilities and services are being encouraged, where the bucks are mainly being spent, without questioning what industry and what future consideration is really being emphasized.

I do not mean to be facetious, and, at the same time, I want to

applaud the action, but I do not think that restoring the Ross River footbridge was a real boost to mining.

Mr. Speaker, I must support other positions, with respect to the economic decline of Yukoners that, in my judgment, is not actively or adequately being supported in this Budget. I question the Government's philosophy in the social service restraint so eloquently discussed by a previous speaker. I note, proportionately, that a much higher increase in Highways and Public Works exists than in Health and Human Resources, for example, but I am sure that the Minister will have an excellent response as to why the Dempster Highway is more important than the Child Development Centre.

Additionally, I question what attempt is being made to curb the ever-increasing living costs. Again, this was dealt with in depth. I assume the Government is holding the position of marketplace theory. I, again, believe, as emphasized, here in the north where you do have monopolies, where you do have questionable price differentials in goods, where you have an ever-increasing dollar value in comparison to the southern marketplace, you have to reassess your position with respect to involvement in that marketplace.

However, I shan't belabour the general commentary on the Budget. Just to add a very positive note, I am highly encouraged by the respective increases in the programming budgets of the Department of Education, I think, and I said this before, that it is not enough, but the direction is pointed.

I would conclude my remarks, Mr. Speaker, with an appeal to the Government to take reconsideration of some of the points raised. I have not yet decided whether I will be supporting the main motion. I would like to hear some response to the points raised and, certainly, the priorities that I have mentioned. I would expect some response accordingly.

Thank you, Mr. Speaker.

Hon. Mrs. McCall: Mr. Speaker, I would like to make just a few comments, especially on the remarks the Honourable Member for Whitehorse West made. Canada is a middle-class country. We have never had the peons and aristocracy say, of Mexico. Many of us were born during the Depression and we did not own our own homes.

I believe the word in those days was "relief" not pension, those are two quite separate things.

I would suggest that the unions now are perhaps the nouveau riche and the nouveau pauvre, perhaps the people who lived and strived for an education. The Honourable Member for Whitehorse West really ought to live in a Third World country. We just do not have the sort of poverty that the Honourable Member speaks of.

I have heard the Honourable Member mention struggles of a relative of his who is in medicine, for example, the difference between that relative and a truck driver, that Member also mentions, government of the people, by the people, for the people. Surely that is an American expression. I think that is what happened, it never was a Canadian expression.

I would also like to compliment the Member from Whitehorse West on a surprisingly short speech, the shortest ever I have heard from him.

Mr. Speaker: Any further debate on the sub-amendment?

Mr. MacKay: Thank you Mr. Speaker, I must exercise my right to speak at this time, because I will be unable to address this motion again, whereas I would love to have had the Government Leader's explanations of various matters raised, I am afraid I will now have to wait and allow him the last word.

However, there has been enough of an indication from a couple of the Members opposite that my points have been truly on the mark. The Minister of Public Works unfortunately ruined what was probably a very good speech, starting out by explaining what a deficit was and he said that this was not really a deficit in this budget, because we did not owe anything.

Well, I ask him to look at Page 1 of his own Budget and read the word D-E-F-I-C-I-T, deficit three million dollars, 3,995, so by his own Government he has a deficit budget, let us not quibble about that anymore.

The Member from Whitehorse South Centre, in his reply, which has some excellent points, really an excellent reply, I truly admired his speech with respect to the Arctic Winter Games. The rest of the speech however, left something to be desired.

He did cast some doubts I felt, Mr. Speaker, not much, but some doubts as to the validity that this five million dollars, which is not just a figure that is in the wrong column, it is a matter of money coming out of the taxpayers' pockets. This five million dollars that I have mentioned from the Pipeline has been completely missed. He did not, however, try to be bought. The other 2.5 million which he

knows perfectly well has been missed.

So, Mr. Speaker, let us look at this five million dollars for a bit; he said a truly shocking thing, and I hope that his statement does not represent the position of his Government. He said that because Foothills does not want to pay the Government does not want to put it into the budget. I paraphrased a little bit, but that is what it meant.

Let me quote to the Member from the Agreement. I quote from Section 5(b) of the Pipeline Agreement, it says, 'from a period beginning January 1, 1980 and ending on December 31 of the year in which leave to open the Pipeline...' when it is completed, that is, '...is granted by the appropriate regulatory authority, the Yukon Property Tax will not exceed the following: 1980 - \$5 million Canadian; 1981 - \$10 million Canadian; 1982 - \$20 million Canadian, any subsequent year to which this provision applies, \$25 million Canadian.' That is \$25 million a year until the Pipeline is ready to be opened.

That is a legal, international, binding Agreement. For this Government to ignore that as a source of revenue, it must surely be a terrible negotiating mistake. If they feel there is anything to negotiate with Foothills, surely you do not undercut your own position by not even including it in your own Budget. You are saying to Foothills, well, maybe you do not have to pay it, and that is precisely what this Budget signals to Foothills, Mr. Speaker. I cannot believe that this is truly the position of this Government.

I am looking forward to a very strong statement from the Government Leader that this five million is, in fact, the Yukon's and will be collected and I am looking forward to an immediate Amendment to this Budget to include it in the Budget.

So, Mr. Speaker, nor can we hide behind the fact that this Agreement is between the Federal Government of Canada and the Federal Government of the States because if he is then saying that this property tax does not belong to the Yukon Government. If he is admitting that position too, then I think we are down on two counts and that the Heritage Fund, which was so lightly referred to by the Member for Whitehorse South Centre, will never exist. So, you know, we cannot have it both ways, either, Mr. Speaker. We are legally entitled to that money and should have it in our Budget or we are not, and in which case, this Government has no right to go down to Foothills tomorrow and ask them for it. There is no question that this Government is due that five million and it should be in that Budget and there is no question that the Budget, as presented, is wrong.

I think that what we should be seeing is an Amendment, very quickly, by this Government, to show the true position it is presenting and if we have a \$2 or \$3 million surplus in that, I would have suggested some tax cuts, I think, I would have suggested some money for the Child Development Centre. I would even suggest, perhaps, cutting down the expenditures on the Youth Services Centre at Wolf Creek as another way of increasing the Revenues of this Government, a number of areas.

But I have difficulty dealing with what I regard a Budget that is wrong. I mean, it is just incorrect and it is not a question of just bookkeeping errors, it is a question of serious omissions. I can only close my argument by asking the Government to quickly reconsider its position. It would not be a defeat of the Government if they were to bring in their own amendment but it will be a great defeat for this Government in the long run if they do not negotiate with Foothills successfully and get that five million dollars.

Mr. Speaker: Is there any further debate on the sub-amendment?

Hon. Mr. Pearson: Mr. Speaker, I was afraid the mover of the motion had closed off the debate.

Mr. Speaker, we are actively pursuing the acquisition of that five million dollars. I am very happy to hear the Honourable Member opposite say that we definitely do deserve that five million because, Mr. Speaker, no matter how he cuts it, it is the Government of Canada that has entered into that Agreement and, Mr. Speaker, we have to have the Government of Canada's support before we can even consider the five million and, Mr. Speaker, to date we do not have that support. Now, we had it from the previous Government and, Mr. Speaker, I submit to you, respectfully, if that Government had still been in power that five million dollars would have been in the Estimates because I was pretty confident we were going to get it.

Mr. Speaker, I do not know whether we are going to get it now or not and I refuse to put a Budget before this House that supposes we were going to get something that I honestly do not know whether we are going to get this year, next year, or five years from now. That is all it amounts to.

Now, Mr. Speaker, in addition, the Honourable Member mentioned earlier that there was a road equipment account in this

Budget that was there illegally, Mr. Speaker, not so at all. The Account is there legally, Mr. Speaker. What has happened is that we have exceeded the Legislated amount of that Account and as it so happens, one of the Bills that was Tabled in the House last night provides for that access. It is not there illegally at all.

I do not think I have anything more to say on this. Thank you, Mr. Speaker.

Mr. Speaker: Question has been called on the Sub-amendment. Are you agreed?

Division has been called.

Mr. Clerk, would you kindly poll the House.

Hon. Mr. Pearson: Disagree.

Hon. Mr. Lang: Disagree.

Hon. Mrs. McCall: Disagree.

Hon. Mr. Graham: Disagree.

Mr. Lattin: Disagree.

Mr. Hibberd: Disagree.

Mr. Njootli: Disagree.

Mr. Falle: Disagree.

Mr. Tracey: Disagree.

Mr. MacKay: Agree.

Mrs. McGuire: Agree.

Mr. Penikett: Agree.

Mr. Fleming: Disagree.

Mr. Byblow: Agree.

Mr. Clerk: Mr. Speaker, the results are four yeah and ten nay.

Sub-amendment negated

Mr. Speaker: Is there any further debate on the Amendment?

Mr. MacKay: I was calling for division, Mr. Speaker.

Mr. Speaker: Division has been called.

Mr. Clerk, would you kindly poll the House.

Hon. Mr. Pearson: Disagree.

Hon. Mr. Lang: Disagree.

Hon. Mr. Graham: Disagree.

Mr. Lattin: Disagree.

Mr. Hibberd: Disagree.

Mr. Njootli: Disagree.

Mr. Falle: Disagree.

Mr. Tracey: Disagree.

Mr. MacKay: Agree.

Mrs. McGuire: Agree.

Mr. Penikett: Agree.

Mr. Fleming: Disagree.

Mr. Byblow: Agree.

Mr. Clerk: The results are four yeah and nine nay.

Amendment negated

Mr. Speaker: Is there any further debate on the main motion, Motion Number 3?

Question has been called.

Motion agreed to

Mr. Speaker: We will now proceed to Government Bills and Orders.

GOVERNMENT BILLS AND ORDERS

Mr. Clerk: Second reading, Bill Number 10, standing in the name of the Honourable Mr. Graham.

Bill Number 10: Second Reading

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 10, Small Claims Ordinance be now read second time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Hootalinqua, that Bill Number 10 be now read a second time.

Hon. Mr. Graham: Mr. Speaker, this Ordinance shall expand the jurisdiction of the Small Debts Officials, it will increase that jurisdiction from \$500 to \$1,500. It also expands their jurisdiction

to include actions in court.

Under the Judicature Ordinance, small debts officials only have jurisdiction in cases involving a claim for a debt. The intention in this Ordinance, Mr. Speaker, is to give them jurisdiction in relation to actions for damages. This should relieve the Territorial Court of some of its burden in relation to minor automobile accidents. A change of names to "Small Claims Official" also reflects the expanded jurisdiction.

Thank you, Mr. Speaker.

Motion agreed to

Mr. Clerk: Bill Number 18, standing in the name of the Honourable Mr. Graham.

Bill Number 18: Second Reading

Hon. Mr. Graham: I move, seconded by the Honourable Member for Tatchun, that Bill Number 18 entitled An Ordinance to Repeal the Credit Union Ordinance be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Tatchun, that Bill Number 18 be now read a second time.

Hon. Mr. Graham: Mr. Speaker, with the failure of the Credit Union in the past few months, we felt it would be in the best interests of all involved, if we revoke the Credit Union Ordinance.

In doing this, we recognize the fact that should another Credit Union ever hope to be established in the Territory, a new Ordinance must appear before this House. We feel that in the best interests of all involved that this should be the way that a Credit Union be established. The Ordinance currently in effect has many inconsistencies and problems and we feel that a total redraft would be the only possible way in which a new Credit Union should be established.

Mr. MacKay: Yes, Mr. Speaker, with respect to the Credit Union and I guess, right off the bat, I should declare that I have been the auditor of the Whitehorse Credit Union for the last five years, so I have a particular interest in it and no longer a conflict, because such a Credit Union no longer exists to audit.

I will restrain myself from such facetious remarks like "shutting the door after the horse has bolted" and other things like that.

I only say that I agree with this approach. I think that running a Credit Union, operating a Credit Union is an extremely onerous job. It should be fully appreciated by any new group who wish to start a Credit Union, just how onerous that is, the difficulties that they will encounter, the problems of raising staff, of training staff, but probably more than anything else the problems of not having the resources backing them, such as any provincial Credit Union would have, where they have BC Central in British Columbia, which is quite a large institution which provides financial support and more importantly training staff and general professional guidance to these smaller Credit Unions.

While I do think that the Credit Union movement has many things to offer the public and would like to see a Credit Union re-established in Yukon, I think that it should be under very definite provisions whereby there is a support group and there is professional help available for these people who wish to do this.

For a long time I was very concerned that the people in the Yukon who were investing in the Whitehorse Credit Union did not really realize but for the backstopping of the Government, they could have easily lost that one million dollars themselves, the depositors. They were, in fact, trusting that kind of money in the hands of directors of the Credit Union, who however well intentioned, had really no training in the running of a large financial institution. I will agree with this Ordinance.

While I am on my feet, I would like to say that I agree with the previous Ordinance as well.

Motion agreed to

Mr. Clerk: Second Reading, Bill Number 19, standing in the name of the Honourable Mr. Graham.

Bill Number 19: Second Reading

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse South Centre, that Bill Number 19, entitled An Ordinance to Repeal the Stabilization Fund Loan Ordinance, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Whitehorse South Centre, that Bill Number 19 be now read a second time.

Hon. Mr. Graham: Mr. Speaker, this is in keeping with the previous Bill, to repeal the Credit Union Ordinance. The Stabilization Fund Loan Ordinance was brought into effect only when it was discovered that the Credit Union was, in fact, in difficult straits and it was brought

in more as a reassurance to the Credit Union that this Government, the government of the day, I mean, was willing to help. We feel, in the best interests of all citizens of Yukon that it should be repealed, along with the Credit Union Ordinance.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 22, standing in the name of the Honourable Mr. Graham.

Bill Number 22: Second Reading

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that Bill Number 22 entitled An Ordinance to Amend the Trustee Ordinance, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Old Crow, that Bill Number 22 be now read a second time.

Hon. Mr. Graham: Mr. Speaker, the purpose of the proposed Bill is to replace a couple of sections in the existing Trustee Ordinance with something a little more modern.

Instead of the list of secure but low income investments to which holders of trust funds are currently limited, it is proposed only to require them to deal with the trust funds as a prudent man would deal with his own money.

The Bill is a short two pages, Mr. Speaker, and adopts uniform provisions recommended by the Uniform Law Conference in 1970.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 13, standing in the name of the Honourable Mr. Pearson.

Bill Number 13: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Health and Human Resources, that Bill Number 13 entitled Second Appropriation Ordinance, 1980-81 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Health and Human Resources, that Bill Number 13 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, it is not my intention to speak at second reading upon this series of budget bills. I will, however, be wishing to introduce Bill Number 11, as well, today and will speak at second reading on that Bill.

I would assume that Honourable Members opposite will take the Budget Address as being my submission to them in respect to these bills.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 12, standing in the name of the Honourable Mr. Pearson.

Bill Number 12: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Education, that Bill Number 12, entitled Interim Supply Appropriation Ordinance, 1980-81, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Education, that Bill Number 12 be now read a second time.

Motion agreed to

Mr. Clerk: Second Reading, Bill Number 14, standing in the name of the Honourable Mr. Pearson.

Bill Number 14: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse South Centre, that Bill Number 14, entitled Financial Agreement Ordinance, 1980, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Whitehorse South Centre, that Bill Number 14 be now read a second time.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 15, standing in the name of the Honourable Mr. Pearson.

Bill Number 15: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that Bill Number 15, entitled Loan Agreement Ordinance, 1980, Number 1, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Old Crow, that Bill Number 15 be now read a second time.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 16, standing in the name

of the Honourable Mr. Pearson.

Bill Number 16: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal Affairs, that Bill Number 16, entitled Municipal General Purposes Loan Ordinance, 1980, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Municipal Affairs, that Bill Number 16 be now read a second time.

Motion agreed to

Mr. Clerk: Second reading, Bill Number 11, standing in the name of the Honourable Mr. Pearson.

Bill Number 11: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Municipal Affairs, that Bill Number 11, entitled Second Appropriation Ordinance, 1979-80, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Municipal Affairs, that Bill Number 11 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, the Supplementary Estimates, 1979-80, are being brought before the Assembly to obtain authority for expenditures which were not anticipated at the time the Estimates were tabled in March, 1979, under the First Appropriation Ordinance.

Mr. Speaker, the Supplementary Estimates reflect additional expenditures of this Government of \$13,111,300, broken out as follows:

Operation and Maintenance - \$4,505,200;

Capital - \$8,361,000

Loan Amortization - \$145,000

Central Purchasing and Stores Revolving Fund - \$100,000; Road Equipment Replacement Account - \$100.

In addition, while not requiring specific legislative approval, the Supplementary Estimates reflect increases in revenues and recoveries of \$7,839,600.

A quick review of the components of these supplementaries will assist in our analysis of the document.

Operations and Maintenance Expenditures Requirements of \$4.5 million are composed of the following major items:

Dawson City Flood - \$2.1 million, mainly recoverable;

Whitehorse Credit Union - \$800,000, not mainly recoverable;

Health and Human Resources - \$900,000, mainly statutory;

Land claims - \$100,000;

Renewable Resources - \$0.5 million, which is mainly recoverable;

Other items, \$100,000;

Total - \$4.5 million.

This is largely offset by increased revenues and recoveries. Capital requirements of \$8.4 million are a result of three main factors:

1. Revote of 1978-79 approved expenditures not utilized in that year but required for 1979-80 to continue with projects;
2. The advancement of 1980-81 projects to enable their early commencement;
3. Unanticipated cost shared agreement entered into during the year.

Major capital requirements are in Education, Municipal and Community Affairs, and Highways and Public Works.

Loan Amortization Funds are required as a number of loans were repaid prior to their due dates. This expenditure is offset by recoveries of an equal amount.

Funds of \$100,000 are required for the Central Purchasing and Stores revolving fund to raise the inventory upper limits to \$600,000. The original fund was set up in 1972 and since then the price and amount of inventorial items in the fund have increased.

A nominal supplementary of \$100 is required for raising the limit on the road equipment replacement account established in 1971, to three million dollars from one million dollars. This is an account within the Yukon Consolidated Revenue Fund and is used to purchase road equipment to replace surplus equipment. The increase is required to comply with the Auditor General's comment that the fund balance in 1978-79 exceeded the approved limit for that year.

Mr. MacKay: Mr. Speaker, I had also not really intended to speak on this, but I do find a couple of areas to comment on. First of all, I

can see the major over-expenditures are readily identifiable areas, the major ones of which we all knew. I think that the Government's fiscal records with respect to handling its matters with Budget is not out of line.

That sounds rather niggardly, it is pretty good. I think that they have stayed relatively within budget except for the items which, like the Dawson Flood, are beyond their control.

I also think that the expenditures in capital are in excess of budget are good because we did have a slack year last year in terms of economy and accelerating any projects that they could to the extent of about eight million dollars. That certainly had a considerable impact on the economy. I will also compliment them on that.

I would however, question the solution that the Government has found to the comments of the Auditor General in the last fiscal year. He qualified his audit reports saying that this road equipment has squared away some \$1.5 million in excess of that which had been legislated. Perhaps illegal was too strong a term for the Government Leader but nevertheless, illegal it was, or it would not have been brought out in the Auditor's report.

The point that I am concerned about at this point in the debate is not that this \$1.5 million should have come back into General Revenue. I have already made that point. What I am concerned about is that this Legislature is losing control over some funds I think in this type of account. I do not want to go ahead too far in this debate because I think it will be coming up later on in other matters, but I would suggest that to put through a nominal \$100 amount to sanctify what amounts to a two million dollar expenditure, this House has approved over the past few years, is a pretty good sleight of hand and I cannot really agree with that type of Government accounting.

I would be far happier to see the solution to be the bringing into Revenue on that amount in this year and a system set up whereby we can vote on the acquisition of that type of equipment each year as it is required rather than having this sort of slush fund revolving around outside the ambit of the Estimate. It is regrettable that the Government has seen this method of solving the problem raised by the House in general and as I say, I think this will be the subject of further debate later on.

Mr. Speaker: Is there any further debate?

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Old Crow, that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Old Crow that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Motion agreed to

COMMITTEE OF THE WHOLE

Mr. Chairman: I shall call the Committee of the Whole to Order. At this time we will have a short recess.

Recess

Mr. Chairman: I shall call the Committee of the Whole to Order.

Hon. Mr. Pearson: Mr. Chairman, I wonder if I could beg the indulgence of Committee to deal with Bill Number 12, Interim Supply Appropriation Ordinance, 1980-81 as the first item of business.

Hon. Mr. Lang: Perhaps, Mr. Chairman, if the Members opposite just strictly want to vote on Bill Number 13, then we could probably have a very long break before the next Session.

Mr. Chairman: Order please. This afternoon we are considering Bill Number 12, Interim Supply Appropriation Ordinance 1980-81.

On Clause 1

Hon. Mr. Pearson: Mr. Chairman, as I stated in the Budget Speech, we felt a little bit boxed in when we could get this Session started and then, of course, that had the mitigating effect of putting us in the position of not being able to get to the Budget until such a late time in the fiscal year.

As all Members, I am sure, are aware, this Government cannot function after the 31st of March unless there are funds voted because we would not have funds to pay our employees after that date.

The purpose of the Interim Supply Appropriation Ordinance is to supply funds from the Yukon Consolidated Revenue Fund in the amount of \$9,083,600 to defray the expenses of the Public Service of the Territory for the month of April, 1980.

In effect, Mr. Chairman, what this Bill is is one-twelfth of the Budget for 1980-81.

Mr. MacKay: I have a 40-minute speech prepared on this. I think my colleagues here all have 40-minute speeches; however, in view of the impassioned plea from the Government Leader on behalf of the employees of this Government, not to mention the MLAs, whose salaries are also paid out of this fund, I feel sure that the Opposition will expedite the process of this Bill and I would call for fast movement on this right away.

Mr. Penikett: Mr. Chairman, I, too, need the money for my bicycle.

Hon. Mr. Graham: I told you I would lend it to you.

Clause 1 agreed to

Mr. Chairman: I now refer you to Schedule A.

Yukon Legislative Assembly, \$77,000. Shall it carry?

Some Members: Agreed.

Mr. Chairman: I declare Yukon Legislative Assembly carried.

Mr. Chairman: Executive Council Office, \$79,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Education Loan, \$1,710,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Consumer and Corporate Affairs, \$60,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Human Resources, \$452,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Municipal and Community Affairs, \$373,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Tourism and Economic Development, \$155,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Justice, \$610,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Next is Highways and Public Works, \$1,795,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Public Service Commission, \$91,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Office of Pipeline Co-ordinator, \$29,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Finance, \$204,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Library and Information Resources, \$122,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Renewable Resources, \$299,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Health, \$1,141,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Government Services, \$175,600. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Yukon Housing Corporation, \$103,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

We are down to Loan Capital, \$1,308,000. Shall this amount carry?

Some Members: Agreed.

Mr. Chairman: I declare this amount carried.

Now we have Loan Amortization for \$300,000. Shall this amount carry?

Some Members: Agreed.

On Clause 2(1)

Clause 2(1) agreed to

On Clause 3(1)

Clause 3(1) agreed to

On the Preamble

Preamble agreed to

On the Title

Title agreed to

Mr. Chairman: I now declare that Bill Number 12 has passed the Committee of the Whole.

Hon. Mr. Graham: Mr. Chairman, I move that Bill Number 12, Interim Supply Appropriation Ordinance be reported out of Committee of the Whole without amendment.

Mr. Chairman: It has been moved by Mr. Graham that Bill Number 12 be reported out of Committee of the Whole without amendment.

Motion agreed to

Mr. Chairman: We will now continue with Bill Number 9, Garnishee Ordinance. Last day we had concluded on Clause 2.

Clause 2, last day, was stood over. Clause 2 was the last clause we dealt with, which was stood over.

On Clause 3

Clause 3 agreed to

On Clause 4(1)

Clause 4(1) agreed to

On Clause 4(2)

Clause 4(2) agreed to

On Clause 4(3)

Clause 4(3) agreed to

On Clause 4(4)

Clause 4(4) agreed to

On Clause 5

Clause 5 agreed to

On Clause 6(1)

Clause 6(1) agreed to

On Clause 6(2)

Clause 6(2) agreed to

On Clause 6(3)

Mr. MacKay: I hate to disturb the smooth rhythm of passing of sections but there is a problem on this one.

Section 6(3)(d), says "the creditor has demonstrated sufficiently the merits of his claim against the debtor...." This is in the case of a writ of garnishment issued under subsection 1, before judgment and allows it to be set aside. I feel that this seems to be a rather onerous requirement, because you may, in fact, be requiring the creditor to prove his case before it goes to court. Are you not putting him in a rather difficult position?

Hon. Mr. Graham: Mr. Chairman, that is the intent, actually. You see, in all of these cases, we are giving the creditor the ability to have a writ issued before judgment is obtained. What we are attempting to do here is have the creditor at least show the small debts official, if that is who he is applying to for a writ of garnishment, that he has a legitimate claim.

Whether he brings in the bill and says, "Look, I sold this guy a car

and he has not yet paid me the \$1,000 he owes me", that is sufficient, in the eyes of the small debts official, to issue a writ of garnishment. But, in all cases, it is a creditor beware situation, because, if it later becomes obvious that the creditor did not have a case, he can be sued by the debtor for any costs incurred by the debtor in this wrongful issuing of a Garnishee Order.

Mr. MacKay: I think where I am differing is what the meaning of "demonstrating sufficiently" means and that could be held that you have to go really for judgment to be able to prove your claim. I am wondering if what you are really saying is *prima facie* evidence. It is enough to be able to indicate to the small debts person that there is some evidence. If you have to go to the extent of proving it then of course you are into a court case. So I would ask you to consider softening that "demonstrating sufficiently" or using a Latin phrase. My Socialist friend is not here, I can say this, using a Latin phrase which is clearly understood in law as to what I mean.

Hon. Mr. Graham: Mr. Chairman, I must disagree with you because I think that in a case where we are giving a creditor the ability to obtain a Garnishee Order without the debtor even appearing before that clerk, I think that the onus should be on that creditor to demonstrate that the bill is owing. If he cannot demonstrate to a clerk sufficiently that that debt is owed then I do not think that he should get that Garnishee Order without appearing in court and giving a debtor the ability to appear and say, "No, I do not owe that bill".

In all cases, "demonstrated sufficiently" to us means to a Clerk of the Court you have to at least show that there is some evidence that that person in fact owes the bill.

Mr. Fleming: Mr. Chairman, I agree with some of the things that the Minister has said but that person, the creditor in this case, that puts forth his complaint, he has a responsibility that, more or less, you were saying, to be sure that complaint is registered. However, he still has the right to say that he has that complaint.

I cannot see where you could take that right away from him before you had a court case to do it.

Now, the Judge may decide that I do not have that bill, for what reason. I think it is up to the individual, it is his problem, as you say, and he may pay in the end for going there and doing that but I do not think it is up to, really, a Judge, or anybody else to say, "No, you do not have a complaint on just circumstantial evidence."

Hon. Mr. Graham: Mr. Chairman, what we are trying to guard against in this case is a person walking off the street into a Clerk of the Court and saying, "Bob Fleming owes me \$4,000 and he has not paid it. Now, I know he has \$4,000 in an account downtown in a bank and I want it", having a Garnishee Order issued for that \$4,000 and actually getting it. That is totally ridiculous. Unless I can show something that proves to the Clerk of the Court that Bob Fleming does in fact owe me that money, I should not be given a Garnishee Order to tie up the money that he has in the bank. It is just ridiculous.

Mr. Fleming: Mr. Chairman, why have a court case if it is just going to be decided without a court case?

Hon. Mr. Graham: Mr. Chairman, all we are allowing the person to do is get a Garnishee Order. That is all. If you as the debtor decided that you did not own that \$4,000, you may then apply to the court to have that Garnishee Order set aside and if I lost I would pay your court costs.

But, what we are doing here is giving a creditor the ability to obtain a Garnishee Order on very circumstantial evidence. I would take the bill in and say, "You have not paid it, could I have a Garnishee Order, please?" That would be sufficient.

I just fail to see any argument.

Mr. MacKay: I can see no problem either, if what the Minister has just said is what is actually going to happen. I suggest, perhaps, that we are being unduly sensitive about it, that, in fact, if the clerk is prepared to accept the copy of an invoice or a bill, statement rendered as evidence, that is fine.

If the courts are drawing up regulations under 59(1)(d), "for generally carrying out the purposes and provisions of this Ordinance", that was to be put in there just to give some guidance to the clerk as to what is sufficient evidence, I would be very happy to see it.

Hon. Mr. Graham: Mr. Chairman, we did make the policy decision that a Garnishee Order could be obtained on circumstantial evidence from the clerk of the court.

We will be carrying through that policy decision into our regulations and, in fact, saying if a person brings in a bill of sale that has not been marked "paid", that is evidence enough to obtain a Garnishee Order.

But what must be realized is that it is an extraordinary interfer-

ence in the rights of a debtor if you give someone a Garnishee Order, without any evidence whatsoever. That is what we are kind of concerned about, we are concerned about the debtor, as well. We think that this is an excellent compromise.

Clause 6(3) agreed to

On Clause 6(4)

Clause 6(4) agreed to

On Clause 7(1)

Clause 7(1) agreed to

On Clause 7(2)

Clause 7(2) agreed to

On Clause 8(1)

Mr. MacKay: Again, I guess, I think you are taking the side of the creditor all the time. I guess there is a certain empathy after trying to collect receivables in this country for ten years.

Section 8(3)(e), I guess I am jumping ahead a bit, if I could just discuss this section.

Mr. Chairman: Go ahead, Mr. MacKay.

Mr. MacKay: It appears to give the debtor two days' advance notice of the intention to garnish his bank account. It does not take very much imagination to imagine somebody rapidly writing a cheque in that account and moving it to something else.

I am wondering why the notice is given, because often surprise is 95 per cent of the battle in trying to get a hold of this money.

Mr. Chairman: Perhaps we should leave that until we clear (1) and (2) and then we could clear that. Would that be okay?

Clause 8(1) agreed to

On Clause 8(2)

Clause 8(2) agreed to

On Clause 8(3)

Hon. Mr. Graham: Mr. Chairman, this is speaking of cases where, in fact, the Clerk of the Court has expressed some doubt that the creditor has demonstrated sufficiently the merits of his claim. He then instructs the creditor to take his claim to the court because he does not feel sufficiently motivated to, in fact, issue a temporary Garnishee Order. In those cases, the debtor must be given at least two days' notice of the fact that the creditor is taking him to court. That is what you are talking about, we are talking here in in doubtful cases where the Clerk has told the creditor that he must go to court and that is when the creditor must give the debtor two days' notice.

Mr. Fleming: I have a couple of questions. I have one on (c) too, but, from your explanation, the debtor has been given two days' notice of application. In other words, I take it from what you say that the debtor is already obliged to appear and if he is not obliged by that time and has not, that application is a thing that makes him come forth, then you are giving him two days to take off, or whatever he wishes.

Hon. Mr. Graham: I guess, Mr. Chairman, in some cases you are doing that. But we are talking here, you must remember, about doubtful cases, where the guy has gone in and said, "Look, Bob Fleming owes me this \$4,000." The Clerk says, Well, Mr. Graham, you do not have sufficient evidence to show me that Bob Fleming actually does owe you that \$4,000, therefore, I am insisting you go and get a Court Order." I must then give you two days' notice that I am going to get a Court Order to garnish you.

I think it is fair and reasonable because otherwise if you do not show up at court, I get the Garnishee Order in default.

Mr. Fleming: Let us go ahead and use that \$4,000, just how do I give that notice to that debtor. How am I supposed to do that?

Hon. Mr. Graham: Mr. Chairman, as in all of these Ordinances, there is a notice section where you may mail it by registered mail or certified mail, you may deliver it on him in person. It is the standard section, the same as you have seen in the previous two Ordinances, of giving notice.

Mr. Fleming: I will take it at that; however, I do not really agree with that it is in there. I think it will be a problem some day.

However, 3(c) is just a repeat of 6(3), is it not, in a different language.

Hon. Mr. Graham: Mr. Chairman, here you are talking about the Court. The Court must now be satisfied that the creditor has demonstrated sufficiently the merits of his claim against the debtor.

Here you are talking about two different things. When you apply to the Clerk of the Court you are not sworn in, you are not legally giving evidence under Oath. But if you are appearing before a

Justice, you are giving evidence under Oath and that is considered a great deal more reliable than just going in and telling the Clerk of the Court that you, in fact, are owed this money. It is the exact same thing, only to different people.

Mr. Chairman: We are still considering (3), is there any further discussion?

Mr. MacKay: Yes, if this 6(3)(e) is so necessary, why is the notice so short then? It seems like you have some doubts about it as well, because you have just given the guy two days. Usually you have ten, fifteen days, if you are allowing for the mail and so and so forth. So I think what you are saying is that, you are giving a very, very small chance, but not really a real chance.

Hon. Mr. Graham: Mr. Chairman, two days is actually kind of a deceptive period of time, because whenever you are given two days' notice, you are talking about two clear days, so the day on which you make the application and the day on which you receive it are also included. So in actual fact you are giving him four days, two clear days, the day on which the creditor gives notice and the day in which the debtor receives notice are considered not clear days. He must be given two full days to respond.

Mr. MacKay: You are still relying on Her Majesty's mail to carry it within two days. Is that not true?

Clause 8(3) agreed to

On Clause 8(4)

Clause 8(4) agreed to

On Clause 8(5)

Clause 8(5) agreed to

On Clause 9(1)

Mr. MacKay: We are back into our "demonstrated sufficiently" again. This clause refers back to both Section 6(3) and Section 8(3) and 8(3) was the one where the Court was involved and 6(3) was just the Clerk. I am wondering about the relevance of this section to 6(3) where an individual goes in with the unpaid invoice and asks the Clerk to initiate a garnishment. There does not seem to be any reason for this section to apply here because presumably the creditor is not going to be standing waiting for the debtor to walk in and make the application.

Hon. Mr. Graham: Mr. Chairman, what 9(1) does is make sure that it is only a point in fact that would cause the claim to be upset, such that the creditor goes in and says, "I have this invoice. It is not marked 'paid'. He owes me that money."

Now, the only point in fact that could be disputed is the fact that I has already paid that garnishee and the clerk, under those circumstances, would issue the Garnishee Order, because there is only one point that could be disputed. I either paid it or I did not.

If I walked in and told him that Mr. Fleming, in fact, owed me that money, then there is more than a point in fact, because I do not have anything to back up my allegation. So that is, in essence, what we are saying.

I either must file an affidavit saying that Mr. Fleming owes me that money and, in that case, if I file a false affidavit, that is a fairly serious offence. I either have the affidavit or I have the bill.

So, I think that it is reasonably easy for a clerk to decide whether or not a Garnishee Order should be issued.

Mr. MacKay: But I am wondering about this reference in both (a) and (b) of a defence being made. At the clerk level? We are not talking about defence being made at the clerk level, are we? The clerk is going to read that because he or she is going to be responsible for enforcing this section and saying, "Well, should I phone up this guy and see if he has got a defence?"

That may be what is incumbent on the clerk to do, based on this section.

Hon. Mr. Graham: No, Mr. Chairman, we are just asking him to take a look at it and see whether or not there appears to be a defence. You are talking about clerks of the court and these clerks are reasonably competent, qualified individuals.

We are also intending to set out, in regulation, exactly what we consider a reasonable defence or what we do not consider.

In the regulations, it will have such things as an affidavit sworn by a creditor is sufficient to issue a temporary Garnishee Order. Also, an unpaid bill is sufficient. Those things will all be set out in Regulations so a clerk will be able to flip through the Regulations and say, "Yes, you meet the criteria established here; therefore, you will be given a temporary Garnishee Order."

Clause 9(1) agreed to

On Clause 9(2)

Clause 9(2) agreed to

On Clause 10

Clause 10 agreed to

On Clause 11(1)

Clause 11(1) agreed to

On Clause 11(2)

Clause 11(2) agreed to

On Clause 12(1)

Clause 12(1) agreed to

On Clause 12(2)

Clause 12(2) agreed to

On Clause 12(3)

Clause 12(3) agreed to

On Clause 13(1)

Clause 13(1) agreed to

On Clause 13(2)

Clause 13(2) agreed to

On Clause 13(3)

Clause 13(3) agreed to

On Clause 14(1)

Clause 14(1) agreed to

On Clause 14(2)

Clause 14(2) agreed to

On Clause 14(3)

Mr. MacKay: This section seems to be unduly complicated and knowing the well-known high respect with which some of the Members opposite regard the legal profession, I am sure that it was put in there to enable lawyers to gain higher fees when dealing with this particular kind of problem.

It seems rather complicated. I am being a bit facetious, but is there not some way you could make it more simple for the creditor to be able to identify the money that has been taken so that he does not have to hire a lawyer to do it for him?

Hon. Mr. Graham: Well, Mr. Chairman, what we are trying to protect against here is a writ of garnishment being served on a sheriff or a clerk of a court for everything held in that person's name, by either the sheriff or the clerk.

So, the sheriff could have gone out and seized a piece of equipment or an automobile for a creditor, and if another creditor came along with a writ of garnishment and garnished the sheriff for everything that the sheriff held and I, as the first creditor that had the car seized, in fact, I had not yet gone to court and had legal transfer of that automobile to myself, that automobile could be taken by the person who had the writ of garnishment.

So, this section is more than anything to protect the people who get there first, more or less, and yet have not made their case in court.

For one reason or another, difficulties have existed for some time, in relation to funds held in court, funds or contents held by the sheriff and this section, I am assured, although I must admit that I have the same difficulty with (3), I am assured that Section 14 clears up the problems that we have had previously in garnishing things, funds that are held by the court or the sheriff.

Mr. MacKay: Could it be assumed that the Clerk of the Court would give assistance to any creditor who wished to go through this process to help him identify the court action number, all this style of cause, whatever that is, you know, that kind of stuff.

Hon. Mr. Graham: I think that is a reasonable request, Mr. Chairman. In all cases, wherever we are reforming these laws, we are attempting to reform the laws in such a way that the ordinary layman can obtain a Garnishee Order if one is warranted and carry it through all of the steps necessary in order to collect a debt that is justly owed to him. We will be attempting to make sure that the people, the laymen, will be helped as much as possible by Court staff in proceeding with the Garnishee Orders.

Clause 14(3) agreed to

On Clause 14(4)

Clause 14(4) agreed to

On Clause 15(1)

Clause 15(1) agreed to

On Clause 15(2)

Mr. MacKay: Maybe this is the time to bring it up, I am concerned about the garnishment of a joint account. Maybe the Minister can

point out to me, but there are types of joint business accounts that are not necessarily a partnership account. There are also, of course, marital accounts. I am concerned about the joint business accounts, is there an exemption somewhere to allow that kind of thing to escape garnishment, if it would be hurting the rights of some other individual involved with that account?

Hon. Mr. Graham: Yes, Mr. Chairman, there are several sections later in the Ordinance that deal with joint accounts and the discretion of the Court. I am not sure exactly which sections they are but I am sure we will get to them.

What this one basically says is that any Writ of Garnishment that is issued to a partnership, where one of the partners is the debtor, cannot be served unless you have a Court Order so a Judge must look at those. I think that is a certain amount of protection for the partner in a joint business venture.

Mr. MacKay: I can appreciate the partnership situation. I am wondering whether there may be situations where accounts are just held under a joint name for something other than a business reason.

Hon. Mr. Graham: Yes, Mr. Chairman, there is also a section dealing with joint accounts. I still have not yet found it, but, I can assure you there is a section in here that deals with joint accounts and the rights of a spouse when one partner is being garnished and things like that. They are all in this Ordinance.

Mr. MacKay: Okay, the spouse is covered. The partnerships are covered. I am wondering if there is a little gap in here about the non-business venture where you have funds together. Let us say, sister and brother who operate a joint account. We are talking about joint money. I guess that is the problem and whether or not you can garnish what also belongs to somebody else who is not a debtor, is that kind of thing covered.

Hon. Mr. Graham: Mr. Chairman, I am not certain. That is one area that I really did not think about. I know that it covers joint accounts in general and whether or not it covers that specific area, I am not certain but I will check and if it is not covered in this Ordinance, I believe that it should be and would undertake to make sure that that section was inserted.

Mr. Chairman: Perhaps until you bring that information we should stand over Clause 15(2).

Clause 15(2) stood over

On Clause 16(1)

Clause 16(1) agreed to

On Clause 16(2)

Clause 16(2) agreed to

On Clause 16(3)

Clause 16(3) agreed to

On Clause 16(4)

Clause 16(4) agreed to

On Clause 16(5)

Clause 16(5) agreed to

On Clause 17(1)

Clause 17(1) agreed to

On Clause 18(1)

Mr. MacKay: I think this is a good section. It has been a problem in the past and I think it is good to see it in here.

Clause 18(1) agreed to

On Clause 19(1)

Clause 19(1) agreed to

On Clause 19(2)

Clause 19(2) agreed to

On Clause 19(3)

Clause 19(3) agreed to

On Clause 20(1)

Mr. MacKay: I am trying not to keep you waiting as I think this thing through.

Given the situation where a contractor is doing work in Fort Nelson, sub-contracting for a company which operates in the Yukon and has not been paid, would this section not preclude him from being able to garnish in the Yukon because the work was done wholly outside the Territory even though the main contractor's bank account is here?

Hon. Mr. Graham: Mr. Chairman, it basically states that, say, we, as the Territorial Government are garnished by someone in Vancouver because Nanaimo Bulldozing has a contract here and we

have a debt payable to Nanaimo Bulldozing. But the reason we are being garnished is because Nanaimo Bulldozing owes somebody a debt in British Columbia. We will not honour that Garnishee Order.

We will not pay money from YTG coffers to a creditor in Vancouver to relieve a debt that was incurred in B.C. If the debt has nothing to do with the Territory we will not honour that Garnishee Order and we are not requiring any other people serves Garnishee Orders in the Territory to honour debts that were not incurred in the Territory.

Mr. MacKay: Take a hypothetical case of General Enterprises performing a contract on the Liard Highway and not paying the sub-contractor. That is a debt incurred outside the Yukon. General Enterprises' head office is in the Yukon, bank account is in the Yukon. So, under this section that sub-contractor would not be able to garnish the bank account to obtain payment even though the contract was with a Yukon contractor.

Hon. Mr. Graham: Mr. Chairman, as long as that contract was not with the Yukon Government, if that contract was with the Government and the bill was incurred in the Territory, it would be all right.

I think the best example is where I buy a car in Vancouver and then later move to the Territory, and work for the Territorial Government, my wages are not garnishable for that car that was bought and a debt incurred in Vancouver.

Clause 20(1) agreed to

On Clause 21

Clause 21 agreed to

On Clause 22

Mr. MacKay: Is this where a gambling debt is precluded from being garnished?

Hon. Mr. Graham: That is correct, Mr. Chairman. It just prevents the attachment of doubtful debts, such as gambling.

Clause 22 agreed to

On Clause 23(1)

Mr. Fleming: I wonder if the Minister could clarify for me, in the case of a debtor, it goes on to say, attach your wages and so forth, but in no place does it say anything about a writ against, say, a corporation, something to this effect.

Hon. Mr. Graham: I am sorry, Mr. Chairman, I did not quite get that.

Mr. Chairman: Mr. Fleming, we were distracted. Would you mind? We had some entertainment that we were watching when we should have been watching you. Shall we hear your question again, please?

Mr. Fleming: Do you mean Actor Lang is at it again?

It says, in (a), "in the case of a debtor supporting at least one dependant, \$1000..." wages, and certain things like that. My question would be, how do they calculate the amount for a corporation or a company, in this case?

Hon. Mr. Graham: It is totally attachable. There is no exemption, only wages are exempt.

Mr. MacKay: It appears rather unfair as some companies do have dependants.

I would like to clarify. I think the Minister said this in previous debate, but I would like it to be clarified now, also. It says, "70 per cent of the wages payable from time to time by an employer". I think you said before that is the net wages after all deductions. Is that a legally clear enough term, to be sure that we are talking about net wages?

Hon. Mr. Graham: Yes, Mr. Chairman. The basic exemption is 70 per cent after deductions. I can give you some examples of what we are talking about here.

In the case of a debtor supporting at least one dependant, he would have to earn in excess of \$1,344.32 gross per week in order to be garnishable. So, we are leaving fairly high limits, recognizing the fact that the cost of living in Yukon is much, much higher.

I guess what we are attempting to do here is tell creditors that they are going to bear the debt if they grant credit inadvisably. We are putting some onus on creditors to ensure that a debtor has the ability to pay back money before a debt is incurred.

Mr. MacKay: Okay, I agree with that philosophy and I agree with what you are doing and I think what I wanted was some specific insurance that "wages payable" means "net wages payable" and whether or not we should not consider making it just a little more clear. The employer is going to get a Garnishee notice saying except for 70 per cent of the wages payable he is not really going to know where that is.

Hon. Mr. Graham: Mr. Chairman, you are talking about wages payable to the debtor. Those mean net wages only because income tax is not payable to the debtor, income tax is a debt owed to Canada and Canada always gets their cut first so we are talking about here. At the beginning of the section it states, "70 per cent of the wages payable from time to time by an employer to a debtor..." so we are talking about the actual cash that that guy gets to take home. I have been assured that that is in fact proper.

Mr. Tracey: Mr. Chairman, I have a little problem with this section. This means that there is \$12,000 a year that any debtor is exempted from being garnished by and the average income of the average Canadian is probably under the \$12,000 mark so we are virtually stopping any company from giving credit to a person who makes less than \$12,000 a year because there is no way that he is ever going to be able to collect the money that is owed to him.

Hon. Mr. Graham: Mr. Chairman, that is almost correct. In the case of a debtor who supports no dependants, his gross wages would have to be in excess of \$11,700 in order to be garnished.

Mr. Fleming: I happen to agree with the Member for Tatchun. I think that the figure of \$1,000 and at least one dependant, is the very thing that he has said. In so many cases, it is the fellow that probably has not got a big wage, but nevertheless, a \$1,000 a month clear is not too bad and he has a store bill or something like this to be collected by somebody and they just cannot touch him, I find that going a little bit too far.

Hon. Mr. Graham: Again we are talking, Mr. Chairman, as I said before, the creditor must bear a certain amount of responsibility in extending credit to a person. In most cases, you extend credit for a specific item, that item is repossessable under the Executions Ordinance. To actually collect any money in excess of that item you must garnish and so we are saying, creditors beware. We recognize the fact that we do not want these people on welfare and what we find is half the time, or social assistance, my apologies, most of the time what we find is in fact people quit their jobs because they clear only \$750 every month and they find that of the \$750 all they are bringing home is \$400. They quit their job because they know bloody well they can get more money from Human Resources Department. It is ridiculous.

Mr. Tracey: Mr. Chairman, my problem is not with the garnishment and not being able to get a judgment against a debtor. The problem is that what we are going to do is we are going to make it impossible for any company or any organization to give credit to people that have below \$12,000 a year income. Companies are not going to give credit to these people that really need credit at times to be able to survive. We are not going to be able to give it to them because we cannot collect it.

Hon. Mr. Graham: No, that is not true, Mr. Chairman, because they have several other alternatives available to them. They can seize property, they can seize goods that have been purchased, you know, they have several other options available to them. Garnishment is normally a last resort in cases where the person or the debtor does not have any seizable property. It is a very simple policy decision that we made. We do not want people being garnished with wages less than \$11,700 a year. That is the policy decision we made and that is what this Ordinance reflects.

On Clause 23(1)

Clause 23(1) agreed to

On Clause 23(2)

Hon. Mr. Graham: Mr. Chairman, in this section and maybe I should have brought this up before, but if a creditor makes application to the Court, they can, in fact, have that \$11,700 figure reduced, on cause.

Clause 23(2) agreed to

On Clause 23(3)

Clause 23(3) agreed to

On Clause 23(4)

Clause 23(4) agreed to

Hon. Mr. Graham: Mr. Chairman, I see that we are rapidly losing Members of the Legislature, so perhaps I would move that Mr. Speaker do now resume the Chair.

I move, Mr. Chairman, that you report progress on Bill Number 9, Garnishee Ordinance and beg leave to sit again.

Mr. Chairman: It has been moved by Mr. Graham that I report progress on Bill Number 9 and beg leave to sit again.

Motion agreed to

Hon. Mr. Graham: Mr. Chairman, I move that Mr. Speaker do now resume the Chair.

Mr. Chairman: It has been moved by Mr. Graham that Mr. Speaker do now resume the Chair.

Motion agreed to

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of Committees?

Mr. Lattin: Mr. Speaker, the Committee of the Whole has considered Bill Number 12, Interim Supply Appropriation Ordinance 1980-81 and directed me to report same without amendment.

Further, the Committee has considered Bill Number 9, Garnishee Ordinance and directed me to report progress on same and ask leave to sit again.

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

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

May I have your further pleasure?

Hon. Mr. Graham: I move, seconded by the Honourable Member for Tatchun that we do now call it 5:30.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Tatchun, that we do now call it 5:30.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 1:30 p.m. Monday next.

The House adjourned at 5:20 o'clock p.m.

The following Sessional Paper was tabled March 17, 1980:

80-3-7

Annual Report for the Department of Justice, 1978-79

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial data. It emphasizes the need for transparency and accountability in all financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze financial data, including the use of spreadsheets, databases, and specialized accounting software. It also discusses the importance of regular audits and the role of external auditors in verifying the accuracy of the financial statements.

3. The third part of the document focuses on the preparation and presentation of financial statements, including the balance sheet, income statement, and cash flow statement. It provides detailed guidance on the format and content of these statements, as well as the required disclosures and footnotes.

4. The fourth part of the document discusses the role of the accounting department in providing financial information to management and other stakeholders. It emphasizes the importance of clear communication and the use of financial data to support decision-making and strategic planning.

5. The fifth part of the document discusses the role of the accounting department in ensuring compliance with applicable laws and regulations, including the Sarbanes-Oxley Act and the Dodd-Frank Act. It provides guidance on the required controls and procedures to ensure compliance and the role of the accounting department in monitoring and reporting on compliance.

6. The sixth part of the document discusses the role of the accounting department in providing financial information to the public, including the preparation and filing of annual reports and the disclosure of financial information to investors and other stakeholders. It emphasizes the importance of transparency and the role of the accounting department in ensuring the accuracy and integrity of the financial information.

7. The seventh part of the document discusses the role of the accounting department in providing financial information to the government, including the preparation and filing of tax returns and the disclosure of financial information to the IRS and other government agencies. It emphasizes the importance of accuracy and the role of the accounting department in ensuring the integrity of the financial information.

8. The eighth part of the document discusses the role of the accounting department in providing financial information to the media and other stakeholders, including the preparation and filing of press releases and the disclosure of financial information to the public. It emphasizes the importance of transparency and the role of the accounting department in ensuring the accuracy and integrity of the financial information.

9. The ninth part of the document discusses the role of the accounting department in providing financial information to the public, including the preparation and filing of annual reports and the disclosure of financial information to investors and other stakeholders. It emphasizes the importance of transparency and the role of the accounting department in ensuring the accuracy and integrity of the financial information.

10. The tenth part of the document discusses the role of the accounting department in providing financial information to the public, including the preparation and filing of annual reports and the disclosure of financial information to investors and other stakeholders. It emphasizes the importance of transparency and the role of the accounting department in ensuring the accuracy and integrity of the financial information.