The Yukon Legislative Assembly

HANSARD

Monday, March 31, 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

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<td>Whitehorse Porter Creek West</td>
<td>Minister responsible for Education, Justice, Consumer &amp; Corporate Affairs, Information Resources, Government Services</td>
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<td>Hon. Dan Lang</td>
<td>Whitehorse Porter Creek East</td>
<td>Minister responsible for Highways and Public Works, Municipal and Community Affairs, Yukon Housing Corporation, and Yukon Liquor Corporation.</td>
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<td>Hon. Meg McCall</td>
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### Government Members

**(Progressive Conservative)**

- Al Falle
- Jack Hibberd
- Geoffrey Lattin
- Grafton Njootli
- Donald Taylor
- Howard Tracey

- Hootalinqua
- Whitehorse South Centre
- Whitehorse North Centre
- Old Crow
- Watson Lake
- Tatchun

### Opposition Members

**(Liberal)**

- Iain MacKay
- Alice P. McGuire

**(New Democratic Party)**

- Tony Penikett

**(Independent)**

- Maurice J. Byblow
- Robert Fleming

- Whitehorse Riverdale South
- Kluane
- Whitehorse West
- Faro
- Campbell

Clerk Of Assembly: Patrick L. Michael, MP
Clerk Assistant (Legislative): Missy Parnell
Clerk Assistant (Administrative): Jane Steele
Sergeant-at-Arms: G.I. Cameron
Editor of Hansard: Lois Cameron

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

We will proceed at this time with Prayers.

Prayers

DAILY ROUTINE

INTRODUCTION OF VISITORS

Hon. Mr. Graham: Mr. Speaker, it is my pleasure to introduce to the Legislature the Grades 5 and 6 class from Selkirk Street School, with teacher Mrs. Penner, here to visit with us today.

Mr. Speaker: We will proceed at this time with the Order Paper. Are there any Returns or Documents for Tabling?

TABLING OF DOCUMENTS

Hon. Mr. Lang: Mr. Speaker, I have for tabling, an answer to a question by the Member for Campbell, concerning the sewer extension in Teslin.

Hon. Mrs. McCull: Mr. Speaker, I have for tabling two Legislative Returns which contain the answers to Written Question Number 3, asked by the Honourable Member for Fero, March 27th.

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

- Presentation of Petitions?
- Reading or Receiving of Petitions?
- 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. Have you any questions?

QUESTION PERIOD

Question re: Foothills Property Taxes

Mr. MacKay: Mr. Speaker, my question today is to the Honourable Government Leader with respect to the $5 million of Yukon property taxes that Foothills is going to or not going to pay.

Can the Minister tell us if he has been in contact with Foothills since he brought in the Budget?

Hon. Mr. Pearson: No, Mr. Speaker, short of a telephone call from the local manager of Foothills, who advised me at that time that our last meeting was still the status quo, at that time Foothills had agreed to put a proposal before us and we have not received that yet.

Mr. MacKay: In the meetings with Foothills, Mr. Speaker, has the Government Leader ever been told by Foothills that they would not pay the $5 million or the ensuing $10 million thereafter for a year in the event that the pipeline does go ahead?

Hon. Mr. Pearson: No, Mr. Speaker. Foothills have never ever said that they would not pay the $5 million.

Mr. MacKay: Since this is the case and since the Minister has said, this morning, Mr. Speaker, that I believe he may close down the Pipeline Branch of the Government by May, can he explain to us the timing of that deadline? Has that any significance with respect to the pipeline?

Hon. Mr. Pearson: Yes, Mr. Speaker. I have been led to believe by the Northern Pipeline Agency that the timing of mid-May at the very latest. I believe the end of May, is critical in that unless decisions and firm undertakings are made by that time the pre-build of the Alberta section cannot proceed this year. It is also the Northern Pipeline Agency's perception that if that pre-build does not proceed this year, then the northern pipeline construction will be irrevocably delayed and further decisions will have to be taken on the length of that delay.

Now, Mr. Speaker, I feel quite strongly that if the proponent, Foothills, is not competent enough to, in fact, meet the requirements of the Canada-U.S. Agreement at this point in time and at this late date, then we too, should also be concerned.

We have also stated publicly and are convinced that we are in a position now, with our Pipeline Office, to begin construction of that pipeline at the agreeable time. We are literally going to run out of work for that office to do unless, my mid-May there is a decision to continue, so that we will know when the pipeline is going to be built.

Question re: Land Claims

Mr. Penikett: Mr. Speaker, I have a question for the Government Leader. The Government has been pretty secretive to date about its Land Claims Policy position. A document was leaked in Ottawa last week that apparently contained the YTG policy and I would like to ask the Government Leader, if he can confirm that this Government's position is, that the total land settlement for Yukon Indians be only 9,000 square miles. 3,000 square miles to be selected north of 65-30 north latitude and 2,000 square miles to be selected in the southern Yukon.

Hon. Mr. Pearson: Mr. Speaker, I know nothing of that document.

We have a solid undertaking with the Council for Yukon Indians that Land Claims negotiations will be conducted in confidence. I intend to honour that undertaking. Mr. Speaker and do not intend to put into the House leaked documents from some other place.

I have not even seen this document. I have no idea where it came from, nor what it said.

Mr. Penikett: Mr. Speaker, inasmuch as the Council for Yukon Indians has made public its policy position in terms of its Land Claims objectives, is the Government Leader still of the opinion that the policy principles behind this Government's Land Claims position ought not be something which this House should be apprised of?

Hon. Mr. Pearson: Mr. Speaker, there was a paper tabled in this House some three years ago on the policy principles. at that time; that this Government elected to undertake in respect to Land Claims negotiations.

Mr. Speaker, we stated that we have not changed anything in that paper. Those still prevail today.

Question re: Economic Development

Mr. Byblow: Mr. Speaker, I have a couple of general questions for the Minister of Economic Development.

In the discussions with the Federal Ministry over the weekend, can the Minister indicate whether there will be any new thrusts in the Territory's economic development in the area of renewable and non-renewable resources?

Hon. Mr. Hanson: Though we did not dwell on that subject too long, the general idea is that there will be no major thrusts at this time.

Mr. Byblow: On a specific note, can the Minister indicate whether there is a moratorium on power studies in the Territory now?

Hon. Mr. Hanson: Mr. Speaker, not that I am aware of.

Mr. Byblow: Mr. Speaker, again, specifically, can the Minister indicate whether his Department is undertaking a smelter feasibility study now?

Hon. Mr. Hanson: Mr. Speaker, with the bankroll that I have. I am afraid I could not do a feasibility on a smelter. We are interested, though, in procuring the information on a smelter in Yukon from the people who are doing the feasibility study.

Question re: Porter Creek Access Road

Mr. Fleming: Yes, Mr. Speaker. I have a question this afternoon for the Minister of Community Affairs, on the Porter Creek Access Road. The Minister, I think, is going to be using the Vocational School for training for the young people there.

Could the Minister inform me as to where he may obtain the equipment for a job of that magnitude?

Hon. Mr. Lang: Mr. Speaker, I think this would be more properly directed to the Minister of Education, since it is his responsibility through the Vocational School.

Hon. Mr. Graham: Mr. Speaker, I would imagine that this equipment was obtained through a local dealer, if possible. I could check and find back a more firm answer, in the future.

Mr. Fleming: I have a supplementary, then, Mr. Speaker. The Minister indicates that he would possibly be leasing the equipment or acquiring it. I wonder if he could assure me that it would be leased from local contractors, rather than possibly big companies that own heavy machinery.

Hon. Mr. Graham: Mr. Speaker, the Vocational School will not be leasing any of this equipment from anyone except the Department of Highways and Public Works.

Question re: Government Funded Programs

We have also stated publicly and are convinced that we are in a position now, with our Pipeline Office, to begin construction of that pipeline at the agreeable time. We are literally going to run out of work for that office to do unless, my mid-May there is a decision to continue, so that we will know when the pipeline is going to be built.
Mr. Speaker, a question for the Government Leader: concerning any new government-funded programs that are available to the public, would the Government Leader consider arranging ongoing CBC-TV publications of such programs, being as public knowledge of such is very limited?

Hon. Mr. Pearson: Mr. Speaker, we have an Information Branch. If the Honourable Member has some specific problem areas or could identify them, I would be very, very happy to hear them. Certainly, if she has a specific proposal to make, I would be very, very happy to hear that from her, as well.

Mrs. McGuire: For example, the YTG Trappers’ Program. DREE, and so on, can such programs be aired on CBC for better public knowledge?

Hon. Mr. Pearson: Yes. Mr. Speaker, they could be, but the Honourable Member has to recognize, too, that we have no control over CBC, nor what they put on their network.

Question re: Wolf Creek Correctional Institute

Mr. MacKay: I detect a note of regret in the Government Leader’s previous statement. Mr. Speaker, fortunately, we have no control.

My question is to the Minister of Human Resources. In a fine speech, partly bilingual, trilingual, the other day, Mr. Speaker, the Minister indicated or claimed. I felt somewhat facetiously, I suspect, that her Minister’s program had been so successful in rehousing prisoners at the Wolf Creek Centre that nobody could criticize her. I am wondering, having said that, whether she is now planning to close that Centre down.

Hon. Mrs. McCall: Mr. Speaker, the building itself is a problem in that we have outgrown it in a way and there are fewer children. There are more children out on parole and we are looking very seriously at another arrangement. We have not found a solution to that problem but there are just a few children that need actual containment but who do need 24 hour surveillance and so it is a problem that we are looking at very, very carefully.

Mr. MacKay: I am pleased to hear that. Mr. Speaker, since this facility costs the Yukon taxpayer in excess of $600,000 a year in operation and maintenance and it has been under-utilized for a long time, can the Minister tell us what urgency to this study?

Hon. Mrs. McCall: Mr. Speaker, yes, indeed we do consider it very urgent. It is just not an easy problem to solve because of the age group. They cannot be put into the Corrections Department where there has been round-the-clock surveillance. They are a number of children who do need a staffed group home. Yes, there is much urgency and we are looking at that.

Mr. MacKay: Could the Minister explain what she meant by the word “containment” of children and what alternative do you have with respect to that?

Hon. Mrs. McCall: By “containment”, I mean there are just a few children, a very few, who need round-the-clock surveillance and there are other children who could be out on parole. These are children who could not be out on parole, at least not for a while.

Question re: Power/Coal Generation Study

Mr. Penikett: Mr. Speaker, I have a question for the Minister of Economic Development, who could not be with us on Thursday.

Mr. Speaker, we all share this Government’s desire to make more electrical power available for development of the Territory and reduce our dependence on burning diesel fuel for power. I would like to ask the Minister of Economic Development in view of the Northern Canada Power Commission’s failure to spend $100,000 that has been allocated to investigate coal generation, can the Minister tell us whether he has asked the Department of Energy, Mines and Resources to turn this money over the Yukon Government so that we can get on with the job?

Hon. Mr. Hanson: Mr. Speaker, I am aware of what the Member Opposite says, but in our conversations with the EM&R, they mention the amount of money and we are not in position to do a study on coal. The EM&R will probably do it themselves. However, I suggest that the Member oppose best direct his questions to the Chairman of the NCPC as he has told me in a letter that he will not be reporting to me on NCPC because it is really not in my portfolio.

Mr. Penikett: Mr. Speaker, I am sure we all regret that the Chairman of NCPC has not chosen to communicate with the Minister since he has communicated with so many of the rest of us.

I would like to ask the Minister if he could say if he has at least been involved with the NCPC and if it has been investigating coal with this special money, and whether this Government, if the money were made available to it, would be enthusiastic about carrying out this research.

Mr. Speaker: I would think that that question might be termed rather hypothetical and is pretty borderline, however, I will permit the Honourable Minister to answer it.

Hon. Mr. Hanson: Gladly so, if we had the money.

Question re: Hotel Tax

Mr. Fleming: This is a question to the Minister of Tourism. There has been some rumour around that there might be a hotel tax possibly coming. Is this Government anticipating bringing any hotel tax legislation to this House in this Session?

Hon. Mr. Pearson: Mr. Speaker, we have presented our Budget package to the House and I consider that to be a facetious question on the part of the Member.

Mr. Speaker, if I may. I would like to answer a couple of questions that were asked previously. Please.

One is a question by Mr. Fleming in respect to the Teslin-Morley River section of the Alaska Highway and construction jobs by the Government of Canada, the first section that he asked about. Mile 770-777, the clearing contract on this section was awarded during the past winter and the clearing work has been completed. This contract was awarded to Cam Deeks and Sons Construction Limited of Whitehorse. The total amount, $26,070.

Construction of the same section, Mile 770-777, of the Alaska Highway has been awarded to Geddes Contracting Limited of Kelowna, British Columbia at a cost of $2,074,242. Work will commence as soon as weather permits, completion date is October 31, 1980.

On the second section that he enquired about. Mr. Speaker, Mile 777-790, none of this work has yet gone to contract. It is planned, however, by the Department, to call for tenders for the clearing of this section during this forthcoming summer.

Another question, Mr. Speaker, was asked by the Honourable Member for Whitehorse. I refer to an inquiry that was conducted, hearings that were conducted by a committee of this House during the last Legislature. Some question arose as to who had the ownership of the documents in respect to those hearings.

Mr. Speaker, those documents are in the possession of our Clerk and they are available to any Member who wishes to peruse them.

Question re: Alcohol Education Programs/Y Canada

Mr. Byblow: I have a question for the Minister of Education. It is pertaining to the funding that Y Canada, a privately funded organization that has been developing alcohol education programmes for schools, has lost its funding and is closing down today.

My question is, since some of the programming has been introduced into the Yukon schools, will the Minister’s department plan to assist this organization in order to continue the programming?

Hon. Mr. Graham: Mr. Speaker, we are in the process of evaluating those programmes to see if, in fact, they are doing any good in the schools. When that evaluation is completed, we will, at that time, determine whether or not any funding will be given to Y Canada.

Mr. Byblow: If, in the course of the Minister’s investigation into the programming and the evidence is there that the programme should continue, will the Minister consider diverting some of the funds from the increased liquor taxation into alcohol education programming?

Hon. Mr. Graham: Mr. Speaker, as the Member opposite well knows, that is a ridiculous question.

Question re: Education/Yukon Parents for French

Mr. MacKay: I was a little slow getting up, being stunned by the Minister’s answer.

I do have a question for that particular Minister, though, with respect to another program which he does not seem to have much sympathy with.

Can I ask the Minister, Mr. Speaker, if he has read and reviewed the report prepared by the Yukon Parents for French and whether he agrees with the thrust of the report, that is to promote the introduction of French immersion classes in Yukon?

Hon. Mr. Graham: Mr. Speaker, I have read the report and I agree with it entirely. The only problem is, of course, a question of funding and, as the Member opposite probably does not realize, every time the Department of Education spends a dollar, that dollar must come from the taxpayers in the Territory somewhere.

At this time, we consider many other programs of a higher priority.

Mr. MacKay: Naturally. I am sure the Minister has made a detailed cost estimate of the additional costs of having one kindergarten class doing French immersion. Can he give us some indication of what that cost is?

Hon. Mr. Graham: Mr. Speaker, it is not only the cost of one kinder-
Mr. MacKay: The minister’s position, of course, is to answer questions and I have one more question to ask him. With respect to that, if, indeed, the government’s financial position were to improve dramatically in the coming months, would this then become an item which he would be prepared to review?

Mr. Speaker: Order, please, the question is obviously hypothetical and I must rule it out of order.

Question re: Trapper Compensation

Mr. Penikett: Mr. Speaker, I have a question for the Minister of Renewable Resources.

Mr. Speaker: I cannot answer the question. I cannot answer the question.

Mr. Penikett: Mr. Speaker, even given that the government has failed to preclude any kinds of negotiations with this one particular plaintiff, can we then assume that it is, in fact, government policy that it will, for moral reasons, compensate trappers in cases where their traplines or parts of them, are due to land development?

Hon. Mr. Hanson: Mr. Speaker, I would say not. We will have to get it out of our hair once and for all, but it is pretty hard to tag down.

Mr. Penikett: Mr. Speaker, I would say not. We will have to treat each case as it comes up as a separate thing.

Mr. Penikett: Mr. Speaker, I would point out that it is not a legal obligation that we have, but rather a moral one which we are trying to honour. We would like to have not been able to tag him down on what he wants.

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Mr. Penikett: Mr. Speaker, I would point out that it is not a legal obligation that we have, but rather a moral one which we are trying to honour. We would like to have not been able to tag him down on what he wants.
Mr. MacKay: I am a little concerned about this. I am not sure just exactly what the law is and perhaps the Minister can discuss it with me. I always thought that the right of set off was pretty much a common law thing where you could pretty much automatically set off any debt owing by somebody to you against a debt owing by you to another person. This seems to narrow that quite a bit and I am wondering about the rationale of it.

Hon. Mr. Graham: Mr. Chairman, this section is basically to protect a person to whom a Garnishee Order has been granted, like a creditor. It is to protect a creditor from having the employer enter into an agreement with his employee for a demand loan, or something like that and then have the garnishee, who is the employer, the third party, setting off that demand loan.

It is basically to prevent any devious arrangement between the employer and the employee to do an end run on a Garnishee Order. The right to set off is still available if the garnishee, the employer, establishes that claim arose pursuant to a binding commitment entered into before the service of the Writ. So, in other words, if he has just been holding off on setting that debt because the guy was not in good financial shape, that is all right, we do not have any problem with that. It is to prevent end-runs to get around the Garnishee Order.

Mr. MacKay: Another example, and you could just confirm it, would be a bank which has lent money to somebody and has a Garnishee Order upon their current accounts could then set off the loan against a current account if they felt that such a move was justified.

Hon. Mr. Graham: Mr. Chairman, that could, in fact, happen if a person whose current account was being garnished was behind on his payments to the loan or something like that. They could not, in fact, pay that whole loan out, for fear that the person was not going to do the payments in the future, though. They would only be able to catch up on arrears or something that was a legitimate debt owed to the bank.

Clause 29(1) agreed to
On Clause 29(2)
Clause 29(2) agreed to
On Clause 29(3)
Clause 29(3) agreed to
Clause 29 agreed to
On Clause 30(1)
Clause 30(1) agreed to
On Clause 30(2)

Mr. MacKay: Again, it is probably just a case of clarification. In the case, in this section, where a debtor disputes the order, it appears that that dispute can be lodged and then two months may pass in which the debtor cannot really free himself of this thing, while the creditor may or may not decide to pursue it.

Is there some quicker way of bringing it to a resolution than having it just sitting in the court for two months?

Hon. Mr. Graham: Mr. Chairman, we are talking about the garnishee in this case. The garnishee is the person who is the third party, the bank or, in some cases, the employer.

If the garnishee disputes his liability, he must still pay the amount of money into the court, under the Garnishee Order. He pays that money into the court, and if, during two months, the creditor, the person who got the original Garnishee Order from the court, does not, in fact, answer the writ or answer the response made by the garnishee, who is the employer, then the garnishee does not have to pay any more money into court and, in fact, all of the money can go back to the debtor.

It is just a method by which a garnishee, a person who is paying money into a court, say an employer or a bank, says, "Hey, we do not think we should pay the money in, but the creditor has two months in order to say, yes, you should pay it in because of the following reasons."

So, during that two month period, the money is still paid into court, but it is held in trust by the court until such time as the court may determine where the money goes.

Clause 30(2) agreed to
On Clause 30(3)
Clause 30(3) agreed to
On Clause 30(4)
Clause 30(4) agreed to
On Clause 30(5)
Clause 30(5) agreed to
Clause 30 agreed to
On Clause 31(1)
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Clause 32 agreed to
On Clause 33(1)
Clause 33(1) agreed to
On Clause 33(2)
Clause 33(2) agreed to
Clause 33 agreed to
On Clause 34(1)

Mr. Fleming: Just a little clarification on Clause 34(1). "Where any money is paid into court under a writ of garnishment, the creditor shall deliver to the debtor within ten days of the date on which the creditor learns of the payment into court a notice of the payment..." I just cannot quite get that.

Hon. Mr. Graham: Mr. Chairman, this is just to make sure that the debtor, the person who owes the original bill, knows where his wages are going in case he gets a paycheque and sees one hundred dollars deducted. It is up to the creditor who is getting the money eventually, to inform the debtor that he had $100 deducted from his paycheque, in order to pay a bill that he did not pay back in December 1979.

Mr. Fleming: I am just wondering if the debtor first has to find out that the money has been paid into the court, in this case I guess it would be the creditor. The garnishee would be the one who knows the money is paid into the court and the court would know, but the creditor might not know.

Hon. Mr. Graham: We would be notified as soon as that money, in fact, was paid into court. If it was paid into court. In some cases, it is paid directly to the creditor if the debtor did not contest the original writ of garnishment.

Clause 34(1) agreed to
On Clause 34(2)
Clause 34(2) agreed to
Clause 34 agreed to
On Clause 35(1)

Mr. MacKay: I am always little worried about swearing affidavits. In Section (c)(ii), says the creditor can get the money if he "knows of no person other than the creditor, the debtor and the garnishee who is interested in, or entitled to, the money paid into court...." That is a pretty onerous affidavit for him to sign.

I do not think of hardly any cases where you are actually garnishing somebody where there probably is somebody else that wants the money, too.

Hon. Mr. Graham: Mr. Chairman, it says that the creditor knows of no other person, so it is just putting an onus on the creditor that he knows of no other person that has an interest in the money, such as somebody that is attempting to obtain money from him as a third person.

I, myself, have a question mark beside that section. It was later explained to me. It was basically just one of the conditions that the court must be satisfied that the money is being paid to the right person and everybody knows where the dollars are going. This is just one of the conditions necessary to satisfy the court.
Mr. Fleming: To go a little further on that, though, they expect the creditor to sign an affidavit. In other words, I suppose, on that affidavit, he should admit that he owes money somewhere else and somebody is trying to have a claim on that money.

Mr. MacKay: I am a little at cross purposes. Then, I assumed that this is where the money has been paid into court by the garnishee. The court comes along and says, "Okay. I want my money." The court says, "Sure, but you are going to tell us that to your knowledge: nobody else has a right to that money."

I am concerned because our friends over at the RCMP take, as they should, as everybody should, an affidavit extremely seriously and a routine affidavit handed over with a blanket assurance like this could get somebody into an awful lot of trouble if he says, "Well, did you not know that the bank, a year and a half ago, lent this guy some money?" Suddenly, he is in trouble.

The court says, "Sure, but you are going to tell us that to your knowledge: nobody else has a right to that money." The creditor comes along and says, "Okay. I want my money." He should admit that he owes money somewhere else and he signs an affidavit saying that he is collecting that money for himself, not for someone else. He is not knowingly collecting that money on behalf of another person. Really that is what the affidavit is going to say.

What it eliminates is a third party acting as the creditor. The person owed the money has to be the one that goes to the court as the creditor and they sign an affidavit to that effect.

Mr. MacKay: Then I can see the sense in a section that says that, but I have trouble, when I read this section, with the scope. It seems to infer that he should know. As a person reading it without knowing what you are trying to achieve, it does not read what you said it would. Could it be narrowed down to say that he will certify that he is entitled to this money as a creditor?

Hon. Mr. Graham: I would be willing to take that section back and attempt to re-work it.

Clause 35(1) agreed to
On Clause 35(2)
Clause 35(2) agreed to
On Clause 35(3)
Clause 35(3) agreed to
On Clause 35(4)
Clause 35(4) agreed to
On Clause 36(1)
Clause 36(1) agreed to
On Clause 36(2)
Clause 36(2) agreed to
On Clause 36(3)
Clause 36(3) agreed to
On Clause 37(1)
Clause 37(1) agreed to
On Clause 37(2)
Clause 37(2) agreed to
On Clause 37(3)
Clause 37(3) agreed to
On Clause 37(4)
Clause 37(4) agreed to
On Clause 37(5)
Clause 37(5) agreed to
On Clause 37(6)
Clause 37(6) agreed to
On Clause 37(7)
Clause 37(7) agreed to
On Clause 37(8)

Hon. Mr. Graham: Mr. Chairman, I think that this section satisfies the point Mr. MacKay made on a day previous about joint bank accounts, or where partners in a business have an account, a business account that both of them must sign or something, these sections do cover it. I have a note which informs me of that.

Mr. MacKay: That does appear to cover that. It does not specify what kind of joint account, it is general. I think that is good.

Clause 37(8) agreed to
On Clause 38(1)
Clause 38(1) agreed to
On Clause 39(1)
Clause 39(1) agreed to

On Clause 39(2)
Clause 39(2) agreed to
On Clause 40(1)
Clause 40(1) agreed to
On Clause 40(2)
Clause 40(2) agreed to
On Clause 40(3)
Clause 40(3) agreed to
On Clause 40(4)
Clause 40(4) agreed to
On Clause 40(5)
Clause 40(5) agreed to
On Clause 41(1)
Clause 41(1) agreed to
On Clause 41(2)
Clause 41(2) agreed to
On Clause 41(3)
Clause 41(3) agreed to
On Clause 41(4)
Clause 41(4) agreed to
On Clause 41(5)
Clause 41(5) agreed to
On Clause 42(1)
Clause 42(1) agreed to
Clause 42 agreed to
On Clause 43(1)
Clause 43(1) agreed to
Clause 43 agreed to
On Clause 44(1)
Clause 44(1) agreed to
On Clause 44(2)

Mr. Fleming: I have a question on this one. The Minister could say whether I am right or not. The garnishee may put up a complaint and say that he does not owe that money and then, in the dispute that follows, it is proven that he does owe the money, then he could be, also, charged with the extent of the costs caused because of this thing.

Hon. Mr. Graham: That is correct. Mr. Chairman. The garnishee does not necessarily have to contest any garnishment orders that are presented to him, but, if he takes it upon himself to contest an order and loses it and, in the eyes of the court, he should not have even brought it to the court, he could be assessed costs. It is much the same as any other court order.

Clause 44(2) agreed to
On Clause 44(3)
Clause 44(3) agreed to
Clause 44 agreed to
On Clause 45(1)
Clause 45(1) agreed to
On Clause 45(2)

Mr. MacKay: This cost that may be compensated the garnishee, is he going to just deduct that from his payment? Is that how it will happen?

Hon. Mr. Graham: No, Mr. Chairman, the creditor is obliged to pay him any costs that he incurs. They would not be deducted from any garnishment payments.

In most cases, if the garnishee wins the case, the garnishee would not have to pay any money into court or to the creditor. So, the creditor would automatically have to pay him.

Clause 45(2) agreed to
Clause 45 agreed to
On Clause 46(1)
Clause 46(1) agreed to
On Clause 46(2)
Clause 46(2) agreed to
Clause 46 agreed to
On Clause 47(1)
Clause 47(1) agreed to
Clause 47 agreed to
I am sure the Member for Whitehorse West is just about to leap to his feet to congratulate the Minister on this section, so I will do it for him and say that an employee should be protected against his employer taking umbrage at a garnishee by way of dismissal or demotion.

Mr. MacKay: I am sure the Member for Whitehorse West is just about to leap to his feet to congratulate the Minister on this section, so I will do it for him and say that an employee should be protected against his employer taking umbrage at a garnishee by way of dismissal or demotion.

I am very glad to see that section in there, because there are many instances. I think, known to all of us where this may have occurred. I am happy to see that there is a provision for that protection in there. In fact, it is very good business sense because that means the employee can earn wages sufficient to help pay off the debt.

Mr. Fleming: Yes, I am happy to rise, too, for the same reason. However, there is a little apprehension on my part, too, as to where there may be the same assurance that the debtor, just because he may be out of employment tomorrow or something, what he may have done in the interim that really was not because of that judgment that was against him. He could possibly bring this to court and cause some person to be fined, up to $1,000, when there was no intent of laying him off or firing him because of the actual offense. In other words, from the court. There is nothing here.

Hon. Mr. Graham: Mr. Chairman, I have a great deal of faith in the courts in the country, as well as in the ability of employers to hire fine lawyers to defend them against unfair accusations made by their employees. So, I do not think that I would worry too much about the employers.

Mr. Penikett: Mr. Chairman, I did not leap to my feet because I guess I am getting less and less excited when the Government does the good and the just and the correct thing. It is becoming less infrequent and therefore, I am less excited about it when it does happen.

I do want to say, Mr. Chairman, it is a good provision. I should point out that when I was lobbying the Minister in this regard, he did want me to pay for his dinner.

I think that it has been a problem. I do know one business where it was a matter of policy that they did not keep any employee who was under garnishee. Their reasons for doing it were not entirely mean-minded. They had fears for security of their cash with garnishees but I do not think, given the miserly wages they paid as a rule, that they had any more to fear from their employees under garnishee than they did from all the rest of their employees. So, it is really a self-defeating purpose.

This does impact on this whole tradition. The problem of garnishee is a problem. Mr. MacKay just mentioned the banks. I remember they were a classic case because when I was first employed by a bank, if you had shortages under $10, you were obliged to return them to the bank if you were a teller. If you had overages, the overages went to the bank and it was not until I made this painful discovery, after a few weeks as a bank teller, I had understood not at all at that point how banks make any money. It was when I came to the quick realization that they quite literally made money off their employees then I certainly understood how the Canadian banking system worked.

Thank you. Mr. Chairman.

Mr. MacKay: Just before we leave this section, because it does seem awfully hard on the employer when you read the six-months in jail and the $1,000 fine for this, it is probably worthwhile pointing out to my Socialist friend here that employers may occasionally do this, but it is more frequent that an employee will quit as soon as he knows that his creditor has caught up with him and escape to another job. Hopefully, this section will never be used by some mean-hearted debtor to get even with a former employer even though he precipitated the loss of employment himself.

Hon. Mr. Graham: This is an argument between those two. Mr. Chairman, so I will just stay out of it.

Mr. Fleming: Mr. Chairman, I still have a little apprehension because of the very fact that the Honourable Member just brought up. It is fine to protect the employee, and I am all for it. 100 per cent because he needs that protection. However, an employee is just another human being, the same as the employer in many cases.

In some cases it is a little different because it is a company or something but still, in the Yukon Territory where an employer is just an ordinary human being that has a business, and if that person leaves his employee during the time that this is in there, in that area, there is really no protection for that employer if the person says, "No, I cannot work for him. He will not allow me to earn wages sufficient to help pay off the debt."

Mr. Penikett: Mr. Chairman, my remarks will be something in the way of a question of privilege, because I am sure the Opposition Leader, when we were referring to his Socialist friend, was, in fact, talking about the Socialists who sponsored this piece of Socialist Legislation. It is quite right that he be congratulated. I do not know who has been responsible for the voice of the small business and unrestrained, unregulated free enterprise on that side of the Government, but I am certainly impressed with their political tenacity.

I do not know whether the muzzle will stay on, but our friend the Member for Campbell, may do his best to sort of rip it off.

I want to suggest that this section to which Mr. MacKay has taken offence. may, in fact, have some problems in it. From his point of view. Hopefully if there are some people who are like-minded people on that side of the House, they will pursue the subject.
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Mr. Tracey: Mr. Chairman, I think I better get my two cents worth in here too. As a member of the small business community, I am very happy to see an Ordinance such as this come in. I am not only protecting the consumer and the debtor, but it also protects the small businessman, which is a very important thing.

I would like to comment on another comment that a Member made about the banks where they are making all their money. I am sure that if the Member was a businessman or a bank and every day his cashier was over, he would soon get tired of giving that cashier all that extra money. It is all right to take the money away when he is short, or demand payment, but on the other hand, you certainly do not want to encourage your staff to make mistakes in their favour so that they go home with a little extra money every night. I am sure that the Member realizes that.

Mr. Chairman: I think that the questions and discussion is straying away from the Ordinance that we are discussing, so unless somebody has anything relevant to say to the Clause, I would suggest we proceed on.

Mr. Penikett: Yes, Mr. Chairman. I did, with respect, want to bring the subject of discussion back to the topic that in doing so respond to the Member for Campbell. I, of course, am older and wiser now than I was when I worked in a bank and I understand that the source of bank profits now are, in fact, the interest rates they charge to small business rather than their own employees.

I want to say, Mr. Chairman, I am very pleased, I just want to say this in summary, that the Member for Tatchun has realized how Socialism is for small business.

Mr. Chairman: I think at this time we should proceed on.

On Clause 58 agreed to
Clause 59(1) agreed to
Clause 59(1) agreed to
On Clause 60(1) agreed to
Clause 60(1) agreed to
On Clause 61(1) agreed to
Clause 61(1) agreed to

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

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

Hon. Mr. Pearson: Mr. Chairman, I wonder if I could, beg the Members opposite to rise and congratulate this Department for its way in dealing with the Estimates, 1979-80, as the first order of business in getting into the whole Budget in Committee?

Mr. Penikett: Just on a point of order, I would be happy to do that. Could we just, Mr. Chairman, though, be permitted a brief recess in order to obtain these bills from our files?

Mr. Chairman: We shall have a five minute recess, no longer, please, at this time.

Mr. Chairman: We are now going to discuss Bill Number 11, the Second Appropriation Ordinance, 1979-80.

On Vote 01

Mr. Chairman: The first line item: Yukon Legislative Assembly - $774,200. I might, before Mr. Pearson, the information is on page 5 in your blue book.

Hon. Mr. Pearson: Mr. Chairman, for the help of the Members if they would turn to pages 5 and 6 in the blue book then and, the detail of the changes is on the right-hand page in each case. It would be useful to go to page 5 and 6 in the blue book and get other information or get some public servants in their departments to write arguments in defense of their positions for them, which they did not have readily available. I think it is useful now, possibly facilitate going through these separate items.

Mr. Mackay: I was sitting rather silently waiting for the Members opposite to rise and congratulate this Department for its way of handling its finances and actually coming in under Budget in its operations. I think that this remarkable achievement should be fully recognized when we come to debating the same vote in the Main Estimates for this year that we will be unduly penalized for having been so parsimonious last year by being parsimonious this year.

That, no doubt, will give rise to some discussion at that point. Suffice it to say that the first year of party politics, which could have really exploded this Budget out of sight, has not done that. Why the MLAs on this side may have a few complaints in the course of the debate that, in general, the system seems to be set up and working quite well. The Members opposite will find this. I am sure, when they sit on this side of the House in a few years and hope they will not be able to do anything else except quote my good words today.

Mr. Penikett: Mr. Chairman, I do not want to speak at length now but it seems to be one of the most useful things about dealing with these Supplementary items like this that we can, in effect, give notice of some questions we may want to discuss in some detail when we come to the Mains. Last year, I think, we had some real impediments in the discussion of the changes after the first year of party politics, which could have really exploded this Budget out of sight.

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Mr. Chairman: We are now going to discuss Bill Number 11, the Second Appropriation Ordinance, 1979-80.

On Clause 1(1)

Hon. Mr. Pearson: Mr. Chairman, I guess we better try to get the discussion on this Bill started.

These expenditures reflected in the blue book are simply those that were bound to be changes to our Estimates during the course of the year and are final, to the best of our knowledge, to about January 30.

We are hopeful that we will not have to put in another supplementary, however it is normal that we cannot guess everything dead-on each year. In fact, there would be a further supplementary after the end of the fiscal year, which is today, to actually bring things up to date.

We felt, so that the House was well aware of what has happened during the course of this year, in dealing with next year's Budget, that we should table these supplementary and deal with them first.

Mr. Mackay: I made, I think, some generally laudatory comments in the second reading of this Bill, so I will not repeat them because I am sure they were lovingly cared for and listened to when I gave them the first time.

I do appreciate the opportunity, though, to see these Supplementary at the same time as examining the current year's Budget because, often, the real figures spent here are so different than the estimates for last year. So, I do appreciate that.

I do not have a lot to say on the general topic of Supplementary. I recognize them as a necessity and nobody could have forecasted, for example, the Dawson flood last year and build that into the Budget.

But, perhaps before I sit down I could ask just one. because it is such a significant amount, there seems to be some doubt as to how much of that is going to be recoverable. Perhaps I ask the Minister if it has all been recovered from the senior government, have all the claims now been settled and are we finished with the Dawson flood?

Hon. Mr. Pearson: No, Mr. Chairman, we are not finished with the Dawson flood yet. There are still some recoveries that we feel could come from the Department. A specific one is in the damage that was done to the Dawson Indian village. We paid, in the first instance, for that repair work to be done out of our Disaster Relief, so that it could be done immediately and not have to go through the red tape procedure in Ottawa. That is one of the recovery items that is still outstanding.

We were assured by the Department that, if we did that, then they could go ahead and get the work done and then we would get the money back in the final analysis. There are a number of things that have happened like that, but we still do have recoveries to be made.

So, the final bill, as to costs of the Dawson flood, are not yet in.

Clause 1 agreed to

Mr. Chairman: Now we shall start on Schedule A.

On Vote 01

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Mr. Mackay: I made, I think, some generally laudatory comments in the second reading of this Bill, so I will not repeat them because I am sure they were lovingly cared for and listened to when I gave them the first time.
especially the Backbenchers, are experiencing some difficulty, embarrassment, and increasing annoyance at having to work in a situation whereby we have absolutely no privacy. I know for a fact, the situation where Backbenchers are all people who do not have offices upstairs, trying to make phone calls to their constituents or to other people which ought to be private, cannot be private now because any phone call made in the area in which we work can be heard by anybody in any of the other offices.

I think it is an unfortunate constraint on the kind of communication which Members ought to have with their constituents. The fact that a Member cannot really have an interview or conduct any private discussions about some personal problem with the Government with a constituent in their office back there is a real problem. You can quite literally feel the Members in the next office, you can smell the Members in the next office, you can see the Members in the next office. The only thing you cannot do is see them due to screens which are provided to block the view of even some of the more attractive Members opposite.

This is a situation which cannot be rectified overnight but I, at least, would serve notice and judging from comments from other Members, certainly want to pursue this matter when we get to the Mains.

Mr. Chairman, those are really want my comments today, for the purpose of serving notice that I do want to have some sort of serious discussion about that question when we do get to the Mains.

Thank you.

Hon. Mr. Pearson: Mr. Chairman, I appreciate the comments made by the Honourable Member on behalf of those people that are affected. I believe that this is in part of the problem. I think also it has been recognized that any work that is done there to provide accommodation, and it is a problem that I undertook as much as a year ago to look at and look at seriously, will necessitate the moving of other people out of this building.

Mr. Chairman, that has become a very, very expensive proposition. Office space that we would have to rent is very, very expensive now. We are finding that we are having to do it. In spite of the fact that we have made a conscious effort to keep the growth of the public service to a minimum, we are still finding that we have to go out and rent more and more office space all the time.

That is not necessarily bad, except that it is very expensive and we just have a hard time staying within any kind of budget restraints doing that.

I guess it is just a fact of life that, when we are looking at space allocations and so on and so forth, what has happened during the past year is this problem down here has been put to the side or put to the back as the least of the priorities each time, because we did encounter some major space problems in respect to the public service.

We knew full well that those people that were in that area downstairs were there because they were dedicated, liked their work and we figured would probably put up with the inconvenience for a little while longer, until we were able to get something suitable for them.

Mr. Chairman: Shall the amount of $774,200. in Vote 01, clear?

Some Members: Clear.

Mr. Chairman: I declare this amount cleared.

Vote 01 agreed to

On Vote 02

Mr. Chairman: The next item. Administrative Services, which is Vote 2, the sum of $393,900. The information is found on page 8.

Mr. Fleming: On 225, I wonder if we could have a little explanation of the large increase there?

Hon. Mr. Pearson: Mr. Chairman, when we did our Estimates, we probably put an amount of jobs that were special to the year previous and, at that time, pointed out to Members that this is really a by-guess figure, because we participate in the Land Claims negotiations and we did not know how many negotiations were going to take place.

As it transpired, in my prospective, it was a very, very successful year for Land Claims negotiations, but, Mr. Chairman, it was successful because there were a number of the negotiating committees and sub-committees of the various parties involved getting down to issues and trying to get those issues resolved.

It more than doubled our actual cost for Land Claims negotiations. I presume whether or not you also have included in this Budget for an outside legal counsel. Is that particular legal counsel hired as the Land Claims negotiator or as the Government’s legal counsel to Land Claims?

Hon. Mr. Pearson: No. Mr. Chairman, he is hired as the Government’s negotiator. Mr. Phelps is under contract with this Government and his salary, or his per diem, because it is a per diem contract, is reflected in those costs.

Mr. MacKay: Can the Government Leader tell me what his per diem cost was for last year.

Hon. Mr. Pearson: Mr. Chairman, I believe it is $475 a day. I am not absolutely certain.

Mr. MacKay: I presume that negotiator has been retained for the ensuing period at the same rate, is that correct?

Hon. Mr. Pearson: Mr. Chairman, his contract expires today.

Mr. MacKay: Without divulging any great secrets, perhaps the Government Leader could tell us, does he plan to renew that contract with that particular individual or are you reviewing any other options?

Hon. Mr. Pearson: Mr. Chairman, I am hopeful of being able to renew that contract with that particular individual. I saw him this morning, and he did not mention anything about it so we just might be able to slip it by him.

Mr. Chairman: We are considering Vote 02. Is there any further discussion?

Mr. Penikett: I have a question about it but I am just trying to get some information before I can put the question so if there are any others, let them go ahead.

Mr. Chairman: To accommodate you, Mr. Penikett, we will stand that aside.

Vote 02 stood over

On Vote 03

Mr. Chairman: In the interim we will consider Education which is Vote 03. $25,583,300.

The information is found on pages 11 and 12.

Hon. Mr. Pearson: The actual narrative breakdown for each of the establishments begins on page 13, goes over to 14 and 15.

Mr. Fleming: I was just wondering on the procedure you are going to go through. Are you going to go through the whole establishment and ask for a vote on it or are you going down through numbers 300, 302, so forth?

Mr. Chairman: No, no that there for your information on this particular one. We are only clearing the amount that is listed on Schedule A. They are there for your reference only. We treat this differently than the Main Budget.

Hon. Mr. Pearson: I want to impress upon the Honourable Member, he has got any questions in respect to any of these, now is the right time to ask those questions.

Mr. Byblow: May I enquire of the Minister in Establishment 303 which salary vacancies under school support would have occurred and why?

Hon. Mr. Graham: Mr. Chairman, these are basically vacancies in janitorial positions at various schools throughout the Territory. Some of the positions we do not intend to fill because of the fact that we are overstaffed in some areas. In other areas we are going to jobs to handicapped persons at reduced work loads on a per shift basis, so that a person who is 50 per cent handicapped gets 50 per cent of a work load of a person who we consider a normal janitorial position. That has helped to reduce the overall requirement for janitors.

Mr. Byblow: In Establishment 319, the Festival Canada Twinning Program, in reference there, is that the New Brunswick Twinning of last year, or are you engaging in a new Twinning program presently, within this last fiscal year?

Hon. Mr. Graham: Mr. Chairman, of course this is for last year because all of this Budget is for last year.

This is for our portion of the Festival Canada Twinning Program which has not been accorded the $7,000. The additional lottery revenue to be used for the grant purposes were funds that had accrued in 1976-77, and had sat in Treasury Department, were not dispersed until 1979-80. They then had to be taken out of the Recreation Account and turned over to the newly established Recreation Advisory Committee or the newly established Yukon Lottery Committee. I think that amounted to some $12,000 to 15,000 as well. It is not an actual expenditure; it is money that was accrued to the Government in past years and just paid out this year.

Mr. MacKay: Yes, Mr. Chairman, last year when we went through the Budget and all the Supplemnetaries and so forth, we asked a
great many detailed, perhaps irrelevant questions. I do not know.
There were a lot of questions and I think we gained a lot of insight
into the process by which the Government spends, or does not spend
its money.

I propose, this year, with the cooperation of the Members oppo­
site, to address the major issues as we go through the Budget. The
cooperation opposite I seek, is that we be given a written, “state­
ment” is not perhaps the word, but what we would like is, in
writing, at least the day before hand, before we tackle any Depa­
tment, the explanations of the Minister, what his policy
priorities are, why he thinks he wants to spend the money, where it
is going and the precedents that perhaps led up to the continuation
of spending money in various areas.

In other words, give the House a general overview of what he
wants to do in his department in the coming year and why, so that
the Opposition has then an opportunity to question that in light of
the figures presented and of the performance on the past year, then
to decide whether to agree or disagree with it. That perhaps makes
the Budget Debate a far more meaningful affair than asking out of
the $41,000 for recreation, who went to New Brunswick? That
really does not add a lot to the Government’s philosophy or where
it is going. I am making the plea now so that when we get into the Main
Estimates, hopefully we will see some cooperation on that regard.

Looking again at the supplementaries on Education, without
getting into a lot of detail. I think it is fair to say that the Depar­
tment of Education, in the eyes of the Opposition, and I suspect,
of the public, has had a very good year. A number of programs existed in that Department at the beginning of the year do not exist
any more.

I think we have gone through the problem of the schools in Pelly
and Burwash Landing successfully. We have seen a shift of em­
phasis to adult education and vocational training, which, I think, is
every good.

We have seen the continuation of some of the special programs,
French language and native language programs. Really, I think
that this Department has functioned very well under the Minister
in charge there.

I think the Operation and Maintenance total overrun of $50,000
in a year is really immaterial in the size of the Budget being adminis­
tered.

So, I will close in saying that I congratulate the Minister on his
continuing tenure. He, nevertheless, has many, many things to improve upon, as I will be pointing out, hopefully in the next few months. I think
that you sometimes should recognize a department which could be
very difficult and which I think we all agree was probably the most
sensitive department, has, in fact, gone through a year without any
major problems.

Hon. Mr. Pearson: Mr. Chairman, once again I very much ap­
preciate the words from the Honourable Leader of the Opposition,
but, in respect to giving written statements prior, I can understand
what is being looked for by the Opposition for program depart­
ments, but when it comes to service departments, it does become a
bit of a problem because they do not have program policies. They
Do not have programs, other than they provide a service to the rest of
Government.

I am wondering whether the Leader of the Opposition has given
any consideration to how we can accommodate what he is propos­ing
there or, if in those programs we simply stand up and, as we did
before, read what the objects of the department are in that particu­
lar case.

Mr. MacKay: If I could just respond to that before the Member for
Whitehorse West, I can appreciate that comment. I think that even
though, nonetheless, in these types of departments, there are
priorities which have to be decided. For example, the Department of
Finance, for a policy program, it is not to establish their policy
services, yet, as the Government Leader well knows, there are
many priorities which have to be decided in that Department.

I can see the Government Services Department as being some­
ing thing that will not provoke a lot of debate unless we get into the
number of newsmen it takes to handle one pen to write a press
release, that kind of thing. That is more the Honorable Leader of
the Government who has to make his remarks to begin with.

I agree, policy is really what we are interested in, priorities,
perhaps, in the service departments.

Mr. Tracey: Mr. Chairman, I have just got a couple of questions
and that is in regards to the Watson Lake Elementary School and
the Watson Lake Secondary School. I notice a $320,000 and $158,000
overrun.

Is this part of the contract or is this in addition to the contracts in
Watson Lake?

Hon. Mr. Graham: Mr. Chairman, this is part of the contract. In
fact, I believe these two schools will both be coming in under the bid
prices.

Mr. Penikett: Mr. Chairman, I did want to add my remarks to
those of the Leader of the Opposition, on both of the questions he
raised.

The first question, the form of the Estimates, is something I do
not propose to discuss now, since that has been the subject of some
committee work.

I have expressed privately to the Minister of Education that the
desirability of, perhaps, having some of the excellent narratives
that the Minister last year gave on the point-by-point thing in the
Bill, provided to Members opposite, and I see no harm in that in the
Members opposite are reading them out anyway.

I would join with Mr. MacKay in saying that there are occasions
when those things are non-controversial, that, in fact, if we were to
have them it would remove the necessity, one, for the Minister to
read them, and two, for us to reply or ask the questions which, in
effect, ended up producing them.

The other useful thing, it seems to me, having gone through a
Budget once, is to be able to compare what the Minister said last
year with what he says this year, in terms of the major programs
and objectives of the department. It is those differences that ought
to, I think, ideally provoke most of the debate, in the Budget.

In fact, share the views of Mr. MacKay and the Member for
Whitehorse South Centre, who has objected to the kind of discus­
sions that we have had before about whether there should be
another social worker in Riverdale, whether that is really needed
and whether there should be another $20 in Teslin on something or
other because that seems to me ultimately not very useful, nor
very productive.

The other thing I want to say and add to the glowing praise of
the Leader of the Opposition is the question of the performance of
the Department of Education. I think Mr. MacKay has felt quite sensi­tive at times about some of the more effective attacks made by the
Minister of Education on him in this House and has therefore
wanted to forestall the possibility of any future assaults of this
kind, and has done so very effectively today. I think

I do want to, though, say that I would concur with the remarks
of the Leader of the Opposition about the performance of the Depar­
tment of Education. I think the Department has done splendidly
well in this past year, compared with some of the previous
years.

I think it is a tribute to the liberalism of the incumbent, and I use
the word with a small “I”, I want to say, like Mr. MacKay, that the
Department is not perfect and there are things that I would
criticize with it. I think that it is a department that is run fairly
well. I think there have been some encouraging things come out of
it.

Last year, in that connection, we had a lot of discussion about
training, about Yukon curriculum, about the need for training kids
for careers in this Territory, rather than educating them for ex­
port, which had been the dominant policy of the Department of
Education in this Territory in the past.

I think, because it lies in the top priorities, that rather than ending
up repeating the debate that we had last year, if the Minister, when
preparing his narratives on those kinds of sections and on those
kinds of themes, were to make the general policy statement of the
Department available to the Members of the opposition—well, in
fact, all Members of the House, before we come to the debate on our
program, I think more probably have much more brief debate, much more effec­tive debate and much more relevant debate and, in fact, pass the
Estimates much more quickly and, in fact, generally have a more
quality discussion and we would not see Members itching to get up
and have coffee. They would be wanting to stay here and discuss
this important issue.

Hon. Mr. Lang: Mr. Chairman, it is all well and good, what I have
heard from the opposite side, but I think there are a couple of points
that have to be made with in respect to many of the departments.

As the Government Leader has pointed out, many of them are
service departments. You look at the Municipal Affairs, you have a
mosquito program. I guess we could debate for days whether or
not this control should be implemented throughout the Territory or whether it should not. You have water and sewer, you
can discuss whether that is a necessity or not.

So, it is going to make it very difficult for the various line depa­
tments to decide just exactly what areas are for discussion and
what are not, as far as policy is concerned.

Mr. Chairman, I would point out that the Members opposite do
have a responsibility and that is the fact that the largest number of
out programs, per se, are tied in by legislation. I spoke to my colleague, the Minister of Education, post-secondary grants, there is a piece of legislation that outlines the parameters of how money can be authorized and spent and subsequently is strictly a line item in the Budget.

You take a look, for an example, in respect to the Capital Assistance Program within the Department of Municipal Affairs, that money is available through that, that program is dictated by the Capital Assistance Program once again, which is legislated.

I think, that Members opposite have to understand that a lot of these areas that we are discussing in the Budget as line items are actually legislated. Take my colleague from the Human Resources and Health. I think, there is ten or twelve or fifteen programs that are all under legislation either direct Territorial or joint Territorial and Federal. So, if the Members opposite are looking for policy discussion. I think they have a responsibility to be reviewing that legislation to say, well, perhaps there are areas that have to be rectified or corrected and that is where they would maybe should be doing some homework in respect to how it relates to the Budget.

Mr. Chairman: It would appear to the Chair that we are straying away from Education and getting into general discussion. I will let Mr. Pearson be the last speaker on the general and then let us get back to Education.

On Education now, let us keep our remarks to this.

Mr. Mackay: Mr. Chairman, I am sure that the Honourable Member from Central Coast was actually thinking that he was educating us so he feels he is very relevant. On the topic, we will get back to the subject at hand. With respect to the Capital Budget as a whole, it is a lot more than was anticipated, $1.6 million. Perhaps the Minister could tell us if there are any projects that he would like to see presented at the Budget Committee.

Hon. Mr. Graham: Mr. Chairman, no. All of these projects are just projects that were brought forward into the present year. In the case of Watson Lake School, to complete the schools this fiscal year. In the case of Haines Junction again, too, the major construction is now completed. The one such as the Carmacks School renovation, addition to Pelly Crossing, the Vocational School facility and cafeteria extension are all projects that we have started after the 1980 Capital Budget was passed last fall.

Vote 03 agreed to

Mr. Chairman: Your next heading is Consumer and Corporate Affairs for $1,910,400.

On Vote 04

Vote 9 agreed to

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

Rather, Mr. Chairman, I move that we do now call it 5:30.

Mr. Chairman: I will not accept your motion. At this time I will recess until 7:30 p.m. this evening.

Hon. Mr. Graham: I knew that one of us would get it right sooner or later. Mr. Chairman.

Recess

Hon. Mr. Graham: Mr. Chairman, the average of $1,249,000 in this Department is totally as a result of the closure of the Whitehorse Credit Union; $800,000 in Operation and Maintenance. $450,000 in Capital. In actual fact, this Department ran, I think, roughly $900 under Budget in the last year.

Mr. Mackay: I want to address the problem of the Whitehorse Credit Union in some detail at this point, because I think it is a necessary exercise for us to go through.

All of us have had some connection with it at some point or another. I should not say all of us, but certainly a number of us in this House have dealt with the Credit Union as a customer, have borrowed from the Credit Union, have been an auditor of the Credit Union, have been director of the Credit Union. In other words, we have all run into this institution in one form or other throughout our lives. While it might be sensitive for me to talk a lot about it because of my involvement as an auditor. I do think there are some areas where the Government's handling of it can be looked at.

I think we should be given some explanation of why the Government was unable to have BC Central or the Credit Union generally, across the country, come forward with any real financial support of this thing. I appreciate they lent money, but they lent money, as it was done, it was a bad deed, at the going rate, it was not great favour. It was a mixed blessing. I think was the phrase that was used.

We have to recognize that the Credit Union movement generally has a great stake in making sure that Credit Union do not go belly-up. It seemed to me there might have been some leverage there, at some point. Now, whether it was at that point we reached last fall or whether it was the point when the Loan Stabilization Fund was set up three or four years ago, it seemed to me there would be some leverage on that overall movement to come up with some dollars to assist in the liquidation of this problem.

I guess another question would be the precise details of how the loan portfolio has been sold to BC Central, whether there is any recourse back to us in the future if for some reason not to be as collectable as was thought. I believe there was a discount factor applied across the board of some 20 per cent on the loan portfolio, which should give a fair margin for collection costs and for bad debts.

I would like to know whether the Government is vulnerable at all to any future call on that.

The purchase of the Whitehorse Credit Union building was also an option that you had. You decided to take that and buy it, which had the effect of creating a profit in the Credit Union on the sale of the building, which, in fact, mitigated against the loss you would otherwise have to support. Nothing wrong with that, provided the Government, (a) had no need for the building, and (b) the price you paid is backed up by some form of independent appraisal. In other words, we are not looking at bookkeeping device here to reduce the loss to one side and increase the value of the Government's assets on the other.

So, I think we would like to get some reassurance on that.

Perhaps I will leave it at that and see what the Minister has on these things.

Hon. Mr. Graham: Mr. Chairman, I will start with the negotiations that we carried on with BC Central Credit Union. When BC Central originally came here and told us that we could probably get out of this problem with the Whitehorse Credit Union if both BC Central and ourselves were willing to put up roughly $800,000 in interest-free loans to the Credit Union for a specified period of time, say it is just five or ten years.

At that time we felt that we did not want to put out that kind of money unless we were positive that that would save the Credit Union. We entered into an Agreement with BC Central and the Canadian Cooperative Credit Society to do a complete investigate to see if this $1.6 or 1.5 million would work. The Credit Union. I believe that that Report took roughly 3 to 4 months to complete. When it was completed, the long-term outlook for the Whitehorse Credit Union was extremely bleak and the Report concluded that even with the injection of $1.6 million in interest-free loans, the Credit Union would not be a viable operation.

Based on that information, the Board of Directors of Whitehorse Credit Union passed a motion stating that and this could be improperly worded, but, in effect the motion said that the Government should close them down and should pay out 100 per cent of the creditors and shareholders of the Whitehorse Credit Union.

We did not feel that we could pay out 100 per cent of the debts of the Whitehorse Credit Union so at that time we entered into negotiations with the Canadian Cooperative Credit Society as well as BC Central to determine what our respective liabilities were.

The BC Central Credit Union was, at the same time, experiencing some problems within their own jurisdiction and decided that they did not want to become involved in any way in bailing out the Credit Union in Whitehorse.

Legally, they were entirely within their rights. They had no legal responsibility whatsoever for the Whitehorse Credit Union. They have, in fact, no legislative authority outside of their Province and they did come to the aid of the Whitehorse Credit Union some years ago strictly at the request of, I believe, the Whitehorse Credit Union and the Government.

Our initial stance with the BC Central was that we did not want to pay the bills. I believe that the opening stance was that if it was left up to us there would be a lot of people who lost a lot of money in the Whitehorse Credit Union. As it became more and more unrealistic. When we found that the Report, that Report was roughed up and it to complete. When it was completed, the long-term outlook for the Whitehorse Credit Union was extremely bleak and the Report concluded that even with the injection of $1.6 million in interest-free loans, the Credit Union would not be a viable operation.

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Our initial stance with the BC Central was that we did not want to pay the bills. I believe that the opening stance was that if it was left up to us there would be a lot of people who lost a lot of money in the Whitehorse Credit Union. As it became more and more unrealistic. When we found that the total debt of the Credit Union was some $900,000, we entered into an agreement with the BC Central where we would pay all of the loss up to $800,000 and they would share with us for any losses incurred by the Whitehorse Credit Union to the tune. I think, of two-thirds of anything over $800,000 but they would assume the loan portfolio at no discount.

There was no discount on the loan portfolio and the reason this was a great boon to us was the fact that previous negotiations with several banks in the Whitehorse area had indicated that if any commercial bank in the Whitehorse area were to take over that $4 million loan portfolio, we would be looking at a minimum of a 25 per
Mr. Chairman, I will go through them point by point as I have them down here. The loan portfolio assumed by the BC Central was the total number of loans outstanding at market value. We put it at $450,000.

I was just confirming that. The other item I was not sure about was the share that would be taken by the two-thirds to one-third. BC Central is going to share two-thirds of the losses. Is this in respect to the cost of winding up that we are talking about? That is a completely separate arrangement from the loan portfolio assumption I presume.

The final one was that the Minister mentioned the figure of $390,000 as being the appraised value of the building. I think the figure here is for $450,000. Is that $450,000 for renovations or did the Government decide to pay $450,000 more than the appraised value?

Mr. Chairman: I will go through them point by point as I have them down here. The loan portfolio assumed by the BC Central was the total number of loans outstanding at market value. We put it at $450,000.

In other words, if someone owed the Whitehorse Credit Union $100, the B.C. Central took that $100 and paid us, as the liquidator of the Credit Union, $100 for that loan. They paid $1 on the dollar on the loan money outstanding, at the date of dissolution of the Credit Union.

Roughly $3 million of the $4 million total outstanding in the loans are mortgages. If you consider them fairly safe loans, in fact, very safe loans, in the main. Roughly one-quarter are personal loans. $1 million are in personal loans and those are the loans in effect, that we are guaranteeing.

I am not sure what the dollar amount was. We are guaranteeing up to a certain dollar amount in bad debts. I understand, at the present time, the loans that Whitehorse has to various Whitehorse commercial lending institutions and B.C. Central to purchase that loan portfolio in total. If that, in fact, happens, our guarantee is good only to the B.C. Central Credit Union. We are getting legal opinion on that, but, at the present time, that is our opinion. That loan guarantee is good only to B.C. Central.

The two-thirds of the costs over $900,000 were in the losses incurred by the Whitehorse Credit Union. I think the most recent estimate I have of losses incurred by the Credit Union were some $950,000. If that, in fact, holds true, we will pay roughly $600,000, and the B.C. Central will pay $300,000. If that, in fact, is one and two-thirds of all losses over $900,000, it should be. I am sorry. So any losses incurred over $900,000, they pick up two-thirds of the costs, or at least the Canadian Co-operative Credit Society will pick up two-thirds of the costs, and we will pick up one-third.

The $60,000, I have assumed, is for furniture and all other items which we purchased in the building, because we purchased the building as, where is. We paid them out on an appraisal on all the things that exist and fixtures may well have been in the building.

Mr. MacKay: I think I am just about through. I presume the $60,000 includes the magnificent aquarium they had in the lobby. Has the Government got an O&M item for feeding the fish next year?

Mr. Chairman. I just want to clarify one item there and that is the loan portfolio. The Minister said, "at market value". The practice of the Credit Union or any financial institution is to put in the books all loans whether regarded as doubtful or not, at the end of the year and then to offset the doubtful ones by a provision in a separate account.

I guess my question is, has the Credit Union taken over all these loans without any reduction for what has already been written off so far? There may be some substantial amount of these. If they had not already been written off, be non-collectable at this time?

Hon. Mr. Graham: Mr. Chairman, any loans that had been written off that were considered non-collectable or, I would imagine, that had been set up as uncollectable, were not assumed by the Credit Union.

I know the Credit Union was in the process of repossessing one home on a person who had defaulted that mortgage and the Government of Yukon Territory purchased this possession of that home because that loan had been written off as uncollectable. Collection proceedings had already been instituted. We are now in possession of that home. That does not show up anywhere. Of course, here, but we, in essence, paid off that loan and we now own the house. I do not know how else I can explain it.

Mr. Fleming: Mr. Chairman, I am interested in what the Minister was saying about acquiring a home. Does this mean to say that because I think of this thing as still an ongoing thing that we may end up with more areas of properties, and so forth and so on, if loans do not go?

Hon. Mr. Graham: Yes, Mr. Chairman, that is my understanding.

Mr. MacKay: When the Minister mentioned that he understands some discussions are going on between B.C. Central and local financial institutions about assuming the loan portfolio, presumably, these same financial institutions were the ones that this Government talked to, so it is not unfair to assume that there will be a discount involved. I guess it is a question of determining whether or not we, in fact, would be able to win it, in fact, a dispute arises at some time in the future.

Mr. Fleming: Yes, Mr. Chairman, the Minister speaks of guarantees. Do you have a guarantee in writing somewhere, or does the Government have a guarantee in writing that all these loans that are not paid up will not have to be taken over by the Territorial Government?

Hon. Mr. Graham: Mr. Chairman, we have agreed to assume 20 per cent of all losses. Or, I mean all losses of the B.C. Central on bad loans up to 20 per cent of the total loan portfolio. If they find that a loan is uncollectable, they pursue all commercial means of collecting that loan and if it still is uncollectable, they take it up one per cent of the value of the total loan portfolio. We put a maximum dollar figure on it but I am not sure what the maximum is.

Mr. MacKay: I always believe that it is good that if you have to take medicine you have to take it all at once, and get it over with. So, I am hoping that next year we will not come up with another. 'Well, this was something else that came up.' That is probably what it is bound to indicate. But it seems to me that this Government is probably exposed for about another $200 to $300 thousand.
possibly, on this thing, and that should be the end of it at that point.

Hon. Mr. Graham: That is true. Mr. Chairman, we expect that there will be losses in several loans over the next few years and we have estimated a maximum of $400 thousand, probably. Being a little pessimistic, it is probably easier to take it if it eventually winds up to be a quarter of a million dollars.

Mr. Penikett: Thank you, Mr. Chairman. I may as well ask a policy question on this subject, which is on my mind. It is, I would guess, a distinct possibility that when the land claims negotiations come close to a settlement that the Indian people of the Yukon could get to the point where they are looking for a financial institution to become a vehicle for land claims monies, which institution, under the Canadian legal tradition, they would want to have some effective control over, and the only available kind of model, that exists under most of the law in Canada, is something called a Credit Union. Might I ask this Government, now, should that eventually occur in the foreseeable future, and given that we have gone through the enabling legislation, what the position of this Government would be, or how this Minister would respond to such an initiative. I am asking, not a hypothetical question, Mr. Chairman, but a policy question, in terms of this.

Hon. Mr. Graham: Mr. Chairman, it has always been our position that we would have preferred not to have closed the Credit Union. We felt that it served a useful purpose in the community and, given the chance, it probably would have served a useful purpose in the Territory as a whole in the future.

Unfortunately, it is our opinion that, at this time, a credit union, as was set up under the old legislation, was not a viable operation. It is also our opinion that should anyone decide that they would like to have a Credit Union in the Territory, it would have to be established under totally new legislation and different legislation than is currently in effect, that we will soon repeal, hopefully.

It is also our opinion that if a new Credit Union were established in the Territory, it would have to be proven to us that it could be a viable operation and that the government would never be put in the position again, of having something placed in front of us where it was said there is going to be roughly $1 250 000 lost by people in the City of Whitehorse, in essence, unless you do something.

That is a terrible position to be put in, Mr. Chairman. I know. I have gone through the thing for a year now and I do not think that I would ever like to see anyone else put in that position. Consequently, I would have to be sure, in my own mind, that it would be a viable financial institution. Or, I am afraid, I would fight establishment of such a Credit Union.

Mr. Chairman: On Vote 04, is there any further discussion? Vote 04 agreed to on Vote 05.

Mr. Chairman: The next item, Human Resources. Vote 05, $4,940,600. For information, I refer you to page 22.

Mr. MacKay: I think, because this leads to a slightly historical review, it might be important for us to note that the Minister of Education had asked the Minister for her impressions of how her Department has gone over the last year and whether she is satisfied with the performance to date and how she sees the relevant items in this particular supplementary, reflecting well on her care of this Department.

On the up-side, I would like to refer to item 534, on that, and I will let her chose the down-side.

Hon. Mrs. McCall: Mr. Chairman, I am very grateful to the Leader of the Opposition for asking me my opinion on this. I am very pleased with this Department, particularly pleased and particularly pleased with that item, 534.

There is $10,000 remaining, unexpended, still available. There are no capital expenditures.

On the whole, I think that this Department has come through very, very satisfactorily.

I do not think I have anything else to say about it.

Mr. MacKay: I am sure the Minister will understand the words of me and my other learned knowledge of foreign languages. Suffice it to say, it does not appear to be of one of her strong suits, blaming herself for anything that goes wrong.

Let me point out a couple of things that perhaps she could have mentioned. The reduction in Establishment 536 of $35,000, could have been a great deal larger had she heeded earlier the advice of the Chair. The minister, with respect to the Wolf Creek facility, is going to flog it to death, but I think this is an item there which could have been significantly reduced, had you moved a little faster to look at changing the arrangements surrounding the children.

There are 23 man years out there looking after these children with an average annual cost of something less than half of that, apparently. I think that is something that could have been avoided.

Some Honourable Member: (intelligible)

Mr. MacKay: I am sure the Minister will get his chance in a minute.

My friend to the left here is ready to jump to his feet, I am sure, too, to go on this. I still think that this Department has a problem of coordination and putting together its whole act and I am sure that you are working on it. I know you are saying that, but I hope that we will see it very considerably improved in the coming year. I know, of course, we will deal with it at more length when we get into the Main Estimates.

I think I will leave the floor now to somebody, perhaps, more able than I am in this Department.

Hon. Mrs. McCall: I might just ask the Honourable Member. Did he have anything specific? As I said, we have been very concerned over the Youth Services Centre and we have not solved that problem, although we are working very, very hard on it. Was there anything in particular, other than that?

Uncordinated in what way? The Department is really very coordinated.

Mr. Penikett: Mr. Chairman, I do not propose to speak at length on this subject. I am, in fact, going to speak at some considerable length when we get to the Main Estimates of the Department, because in less than a month, in this new Department, it has been an absolute mess in the last year. I think that needs to be said and all the pussyfooting of Mr. MacKay. I think, does not advance the cause of the truth here whatsoever.

I would just like to say, at this point, without going any further, that even the pitance provided for subsidies on daycare in this previous year, are under-expended and if there was no call in the rest of today for the $10,000 under Vote 534, any of the others, I would certainly hope that the Department, in the next year, sees the wisdom of reallocating it and making some of the human needs of the Territory a real priority.

But, as I say, Mr. Chairman. I am going to go into this at some length in the Main Estimates.

Hon. Mr. Pearson: Mr. Chairman, before we get off the beaten track about what Supplementary Estimates are all about, Mr. Chairman, that expenditure, or the lack of expenditure in respect to 533, converts into an over-expenditure in the Department for the end of the fiscal year. I do not want the Member opposite, Mr. Chairman, to be suggesting that that money is somehow left over for next year. It is not, it is spent, it is gone.

We are dealing with over-expenditures here, Mr. Chairman.

Hon. Mrs. McCall: May I just say that I think our Socialist Member across the way, I think an assault on the Department of Human Resources is simply a vehicle on the part of that Member for an attack on the Government as a whole. In consultation with the Leader of the Government, it has become apparent that the development of Social Services will be keeping pace with economic development, as finances permit.

Hon. Mr. Lang: I would just like to make a couple of comments, and that is in respect to 536, that the Leader of the Opposition was querying about the Wolf Creek situation. My colleague does have it in hand, and hopefully a decision will be made fairly soon about it. However, if anybody is under the impression, Mr. Chairman, that a great saving is going to take place in that particular area, I think that you better stop and analyze the situation, because you do have legal obligations, both under Territorial Legislation as well as Federal Legislation. Subsequently, if there is any decision made, you are looking at two areas of two types of obligations, as far as juveniles are concerned, and they are going to need the necessary guidance as well, and, in some cases, surveillance.

So if anybody is under the impression that any major changes are going to really save a lot of money, I think, Mr. Chairman, that they should analyze the situation more before, because it is just not as simple to face, which the Member opposite intimated, that there is a very simple solution to the whole problem. There is not, because that was my attitude until we started looking at it, and I can tell you, it is a very complicated area, and it is one that there is not a Territorial solution, it is a Federal solution, it is Federal legislation governing exactly what you can do and what you cannot do. Subsequently, it transcribes into a great deal of public expenditure.

The other point that has to be made, Mr. Chairman, is that a great deal of this is cost-shared, similar to the Provinces, with the Government of Canada, because of their national obligation, vis-a-vis Territorial / Inter-provincial responsibility.
I appreciate our Minister's attempts to pour cold water on the situation. The point is, I think, that everybody recognizes that the Wolf Creek facility does need some very serious re-thinking and the Minister, himself, has said that. So, I am complaining at the speed in which it is being done, not at the fact that it is not being done. So, I think that clearly there are alternatives to that under the Ordinances, and the laws of Canada, to that particular facility.

But I would like to say, because we are going to get into general debate on this, as the time goes by, I never want to hear that Minister say again that he can justify any expenditure by virtually the fact that it is cost-shared with Canada. The reason for that, Mr. Chairman, is that I heard the Member eloquently express, the other day, that he, too, is a taxpayer of Canada, and so are we all, and therefore, it is only fair that we all have a good look at, whether there is any jurisdiction, or whatever it is, that entered this discussion. Because money wasted is money wasted, whether it comes from the taxpayer of Canada or the taxpayer of Yukon. I do not want to hear this justification again, and again, about cost-sharing from Canada and we managed to carry out the mandate that was given to us by the Administration for they worked very hard on behalf of the people of Yukon.

Hon. Mr. Lang: I take offence to the Member's opposite words. I want to make it very clear, that was not the point I was making. I am concerned, whether it be Federal or Territorial money because it is all our money, but the point I was making is that under Federal Legislation there are obligations that we have to do in order to conform to the laws of Canada.

I would be the last one, Mr. Chairman to be advocating in this House, because it was Federal money, to go ahead and spend it. I think that the Member opposite would agree with me on that. He knows me well enough that I am just as concerned whether it be Territorial, Federal or municipal funding. The point that I was trying to make is that any solution to this problem, it still going to cost a lot of money from all reports to date anyway.

Mr. Tracey: Mr. Chairman, I would hope that the Member opposite, the Leader of the Opposition would go back to last year, when we were going through the Budget and read the comments that he made about spending money because the Federal dollars had come to us and we would be spending very little. I suggest he go back and look through Hansard.

Mr. MacKay: I am so pleased to see Mr. Tracey on his feet because he always says such wonderfully ludicrous things. The point I was making was clearly obvious over Mr. Tracey's head was that I was talking about money wasted and if he is suggesting that the money that he was trying to bring into the Territory, or not bring into the Territory, for programs being wasted, he stands convicted by his own mouth.

Vote 05 agreed to

Mr. Chairman: At this time we will take a ten minute recess.  

Recess

Mr. Chairman: I call Committee to order.

On Vote 06

Mr. Chairman: Before recess, we had finished Vote Number 05. The next item is Municipal and Community Affairs, Vote Number 06. $25,655,300. For information, you will see it on page 26.

Hon. Mr. Lang: Mr. Chairman, I just wanted to make a note to all Members that this particular budget is under-expended. We have managed to carry out the mandate that was given to us by the Minister, in the advance of demand for land, which I will be interested to see, how that is going to work, whether, in fact, building up a large bank of developed land, which, of course, I think is a priority of the Government, would wind up becoming a real cost-saving to future home buyers and builders in the Territory.

At the same time, as I indicated earlier, we have managed to work within the parameters of the dollars that were voted last Budget Session.

Mr. MacKay: The Minister is to be commended. Mr. Chairman, but and it is a small "but" because one should not overlook the fact that when you flip over the page, the under-expenditure of $12.9 has turned into a $2.8 million over-expenditure.

However, lest anybody is listening out there anywhere, I can see that it has been well invested. It has been spent on land development, in the advance of demand for land, which I will be interested to see, as I think all of us will be interested to see, how it is going to work, whether, in fact, building up a large bank of developed land, which, of course, I think is a priority of the Government, would wind up becoming a real cost-saving to future home buyers and builders in the Territory.

I would suggest, strongly, that it will, but, in fact, when these lots that we are developing now are finally sold probably two or three years from now, but the cost of that land will seem ridiculously cheap, as compared with the cost of lots elsewhere in Canada at that time. One only needs to look at the major cities in the south, when you see a 30 by 100 foot lot being valued at something like $80,000 in a residential area in Vancouver. This is happening now. The 60 by 100 feet lots have paid off, and so forth, we will be wise to think of that. I would not want to second guess the Minister, but less than $20,000, that these things will appear to be very reasonable.

I think it is good that the Government is over-expenditure in this Budget, particularly when the money does come from Ottawa to finish these installations. Of course, it is by no means wasted and we will have to pay it back.

I will leave it at that because I have some comments to make about the Department's programs in the outlying areas with respect to Municipal Services and I think that it is fair to put the Minister on notice that there are a number of areas in the Yukon where Dawson water and sewer treatment is strictly a re-vote from the previous year. It was not money that was expended. In other words, the contractor did not get the progress payments and subsequently, asked for re-vote in these supplements.

Mr. Chairman, in respect to the outlying communities that the Member is referring to, I think the Department attempts to do the best they can. A lot of our legislation, for the Member's education, is designed in such a manner, where, for example, an Electrical Protection Ordinance allows for people to do their own work, this type of thing, as long as they have contacted this Department, either by phone or letter, and get the way to go ahead with the electrical installations, as long as it is for their own utilization, this type of thing.

As far as the sewage treatment situation is concerned, I am hopeful we can get at least somewhere along the line, this coming year. If the sewage treatment situation in Haines Junction, which is a very major, critical area. I think the Honourable Member recalls we had a great deal of time clearing the land for that particular installation but we were successful, over the course of the last year, to get the authorization to go ahead. I was in the best interest of the people of Haines Junction, and, in turn, the taxpayers of the Territory.

We recognize the problem in Watson Lake. We have some major problems there as well, but whether or not we can resolve them in concert with the Water Board remains to be seen. As the Member recognizes, we have various environmental hearings that we would have to go through which is also tied in with the Hnad Waters Act which, in some cases, sets the priorities for the Government of the Yukon Territory. It is questionable whether or not Federal Legislation of that kind should.

Mr. Penikett: Mr. Chairman, I, too, think it is a marvelous thing that we are going to continue in the future to have a supply of land in excess of demand, especially as it pertains to residential lots.

While on this subject, though, and since we have dealt with it recently, I would like to ask the Minister a couple of questions in connection with Establishment 801, three questions, in fact.

Very briefly, has he been served notice of a suit from one Aluminium Can, but as yet, concerning that gentleman's mineral claims in Wolf Creek?

Two, is the Minister preparing any contingency for the future, in the case of the Hillcrest subdivision, against the possibility of being sued by either miners or trappers up there, who have outstanding claims?
Finally, I wonder if the Minister could elaborate a little bit on the citation in Establishment 601 about, "decreased activity in the squatter removal program"?

Hon. Mr. Lang: Mr. Chairman, the first question is no. The second question is no. The third question, in respect to the squatter removal, we have managed to put land on the market and, subsequently, the need for a lot of expenditures in that area has been negated somewhat.

Mr. MacKay: Just to clarify, are we talking about the capital Budget, as well, at the same time?

Mr. Chairman: Yes.

Mr. MacKay: Okay. Could the Minister tell us what kind of budget, per lot, we are looking at as a cost for the Hillcrest lots, which I think this major land development expenditure relates to? Can he give us some estimate of what it is going to come in at?

Hon. Mr. Lang: Mr. Chairman, the expenditure relates in three areas. If my memory serves me correctly, Crestview, Porter Creek C, which is the southern extremity of that nice suburban area, and Hillcrest.

The lots will vary, because they are in various stages of development over the course of the last two years. Hillcrest would appear, depending on the size of the lot, to be costing in the area of $17,000.

I should point out, Mr. Chairman, we do have a real problem, and it is going to be dictated largely by the extent of the lot, and what is going to take place here in Yukon. We are optimistic about Yukon, and I think that the Member opposite shares our views on that, but at the same time, a lot is going to depend on the Government of Canada's point of view, which I indicated in the reply to the Speech from the Throne, in respect to what they expect of the development, and how it is progressing, because we do have interest charges on the monies that we have borrowed from the Government of Canada to put in that particular installation in the Crestview, Porter Creek and, for that matter, anywhere throughout the Territory. We are strictly in a third party situation, and we have to collect that interest rate back.

But we have taken a conscious gamble. We recognize the inflationary costs that have overtaken us over the last number of years, I will give you a brief indication of what they are like. The same lot, with the same services, for example, in Watson Lake, the basic services of water and sewer and electricity, cost approximately $6,000 two years ago. The lots that were completed last summer or last fall in Haines Junction cost $8,000.

That was strictly the costs of labour going up, the cost of equipment, the cost of installation. It is a conscious gamble that we have taken and I respect the fact that both Members of the other Parties recognize that it is a gamble and are prepared to support that kind of thing. I feel that in the long run it is going to pay off, as the Honourable Member has indicated, in attempting to keep the lots down to a price that people can afford within the parameters of their dollars as opposed to what has happened in outside locations.

He cites a situation in Vancouver. I can cite one in Calgary where the cost of putting a house in the Hillcrest area, is going for in the area of $45 to 50 thousand prior to building of any kind without putting foundations or anything on the ground.

It is a conscious gamble. We can only wait to see what the future holds for us. I do believe, personally, that we should have a great deal of land ahead so that we can provide for citizens as they want to build their own homes. The other thing I should point out, unfortunately I do not have any authority over interest rates for mortgages because that is affecting us drastically as well.

Mr. Penikett: Just a final word, Mr. Chairman. I just decided that the Minister should have no doubt that this side of the House will not vote against the budget bill in respect to the cost of doing less maintenance, or the cost of the budgeted amount at less cost. Perhaps you could have an answer to that.

On the Capital side, the road equipment of $365,000, I presume, is in addition to that which is purchased out of the road equipment reserve. I would like to hear how much was purchased out of that reserve.

The Tagish Bridge, a further $482,000, is that on budget? Do you anticipate that all being completed within the budget?

Mr. MacKay: I have a couple of questions that could be asked. In the Capital Budget, are there any projects here which are run significantly over-budget and perhaps a brief explanation of the $233,000 on the Community Assistance Program being warranted.

Hon. Mr. Lang: Mr. Chairman, that was an advance to the City of Whitehorse in a number of their projects and therefore, their amount of money available to them to the Capital Assistance Program for the forthcoming year will be pre-rated down. It is in the area of $500,000.

Mr. MacKay: The question was whether any of the projects that you had under your Department this year in the Capital area have gone over what you Budgeted.

Hon. Mr. Lang: Mr. Chairman, no. I think that we have managed to stay within Budget. I will double-check with the Department. There are some areas we have gone over a little bit in respect to the contracts but I am pretty sure that we are within the Budget.

Mr. Chairman: At this particular time I do not think we will take Tourism and Economic Development. We would stand that over because of the absence of the Minister in charge. I suppose we will run into the same problem on Justice, also, so I shall stand that over.

Mr. Chairman: I will direct your attention to Highway and Public Works. Vote 09. $283,306.400. For information I would refer you to page 39.

Hon. Mr. Lang: Mr. Chairman, the Members opposite will note, once again, on the Operation and Maintenance side we have come under Budget which I think reflects the management and the capabilities of the Department.

I would like to say that we are losing an individual in the Department, a long-time public servant who is very well-respected throughout the Territory, Mr. Ken Baker, who is leaving the Department and going into retirement here in the Yukon. He made that conscious decision a number of years ago that he was going to retire and now we have come to that time which I think is a great loss to the Department.

We will be advertising over the course of the next couple of weeks for a replacement for Mr. Baker. I must say on my behalf I am very sorry to see him go and I am sure that all Members will agree.

I should point out on the Capital side, Mr. Chairman, what appears to be a major increase of Capital as opposed to last year, the reason for that is a number of Federal projects that we have undertaken on behalf of the Government of Canada. The way the system has worked to date is that we could not include them into the Budget until they had been authorized through the Government of Canada, for an example, the Skagway-Carcross Road which is 100 per cent Federal funding. It is a case of having to re-vote it later in the year as opposed to the situation where we have straight Territorial responsibility.

That is the reason for the major increase in the Capital side of the Budget is the lateness of authorization from Ottawa.

I would point out Mr. Chairman, in respect to Highways, prior to the Territorial Government assuming full authority over a highway, there is a specific standard that we require so therefore, it takes a number of years to get the highways built up in such a manner that we can take them over directly and this is the case in a number of highways at the present time.

Over time, that will be finished and completed and, subsequently, transferred, as far as total responsibility goes.

Mr. MacKay: Once again, the Minister is to be commended on his fiscal prudence, on handling his Operation and Maintenance.

I would be interested to know how this savings was effected in Highways. I wonder if the Minister could elaborate a little bit on the Klondike Highway reconstruction. Well, perhaps the matter of the Territorial responsibility. That is the reason for the major increase in the Capital side of the Budget is the lateness of authorization from Ottawa.

The Takhini Bridge, a further $482,000, is that on budget? Do you anticipate that all being completed within the budget?

An explanation of why about a million dollars was not spent on the Klondike Highway reconstruction. Well, perhaps the matter of reconstruction was done at a million dollars less than you anticipated. I am very sure that would be very surprising.
First of all, in respect to the Dempster. I think we budgeted in the area of $1.2 million last year. We were under, in respect to the O and M of that particular highway, in the area of $100,000. I should point out that was actually reflected in the summer maintenance, and reflected over into the winter. We were over a little bit in our estimates for the winter maintenance.

We are starting to get some utilization of that Highway. We did run into problems, not of our making, from the Northwest Territories. As you recall in the publicity that was generated, they had trouble getting finances to begin with and, secondly, the question of ice bridges came to the fore, and it took some time to get those in.

Our understanding is there is going to be major utilization of the Highway prior to spring breakup by the various oil and gas people in the area of Inuvik. In fact, they are building a winter road from Inuvik over to Tuk for transportation. So, I think it is a good indicator that the Highway could well become one of the main links of our transportation system, and in turn, benefit the people of the Territory, as far as purchase and this type of thing.

Then that translates into jobs, which the Member for Whitehorse West is always very interested in.

The Operation and Maintenance side, we have just had a very good winter. Mr. Chairman. It is hard to predict what kind of winter we are going to have, as far as our maintenance is concerned. As I indicated, on the Dempster, as well as some other areas in the Territory, we have had savings of monies because of the lack of snow that took place over the course of the winter.

So, we have managed to do that.

As far as the Tagish Bridge is concerned, it is on target as far as the contract that was let. This is strictly a re-vote.

On the Klondike Highway, it was not a case of an under-expenditure. If the Member reads the fine print there below the large print, there is description of what has taken place. It is just strictly a transfer of money for various projects on the Klondike Highway itself. It was not under-expended, it was strictly a reallocation of dollars, as far as some crushing being done, etcetera.

The reconstruction of the Boundary Road, we were under-expended in that area for a very good reason. In that area we had a lot of rain, if you recall. In fact, we just discussed one topic of discussion a little earlier this afternoon, which was the Dawson City flood. We are under by $290,000. which was transferred over to the purchase of culverts for the South Canol Road, a transfer to get ready for this forthcoming year on the project on the South Canol, so that we could have that in stock and, as the Member has indicated, to try to get the tenders out early and have the necessary materials there to be put into place for the contractor.

Thank you, Mr. Chairman.

Mr. Penkett: Mr. Chairman, the Minister seems to have forgotten that while he may not have the figures at his finger tips I filed a written question last fall. When I was scurrying through the files the other day on Legislative Returns, I found it had been answered. It had not been tabled in the House yet, but it is on the files here. I have got it. It is something I wonder at some point probably the Legislative Returns ought to be filed in the House as a matter of course. But that is a quibbling procedural matter that I will pursue with the Minister at some other time. In fact, I do not recall it being sent to me. It got sent to the files and it is filed there. I did find it and I did get the information.

The information is that the road was maintained this winter from Dawson to Inuvik for what, 58 days. There was a slight overrun, as the Minister said, and it came to not $500,000 for winter maintenance but $561,000 - I think that is the correct figure. Approximately $100,000 a day to maintain the road open, for the days that it was open, to Inuvik.

The Minister and I may argue yet to some length as to whether we got $10,000 a day benefit for each of those days that the road was open. I frankly doubt it. When we get into the Mains, we are going to argue some more about priorities and the appropriateness of that expenditure.

When the Minister was defending these excesses last year, I seem to recall that he was defending it because the Feds were putting up all the money, 85/15. Right. Mr. Nielsen. I notice from the Minutes of the Miscellaneous Estimates Committee, was not aware of that. He seemed to think it was 90/10, subsequently he corrected himself before the Committee but that is another quibbling point. The important point is I still think that it was money poorly spent.

I would love to have seen the Minister only keep the road open only 53 days this winter and maybe $50,000 of the money could have gone into, say, daycare. the Child Development Centre, what do they need, $50,000. kept the road open for 48 days. I doubt if that would have made much difference. we could have spent the money that way.

Parents for French, what do they want? I think it is something in the same order for the first year. Perhaps if we had kept it open only 38 days we could have had some money for that.

On the whole though, I seem to recall last year the Leader of the Opposition, with much joy was saying that it was not that the Minister manages his Department so well it is that he successfully over-budgeted. And I suspect that is a skill developed by the Public Service in the Department, not something that can be blamed on the Minister.

It is, I think, as a rule, a Department that runs itself pretty well and the Department may be fortunate to have a Minister that leaves the people who know how to run the Highways alone to run them. He may get carried away with his macho development frontier dreams every once in a while when it comes to things like the Dempster but on the whole, there is not an awful lot in here which we could quibble about, Mr. Chairman.

Vote 9 agreed to

Hon. Mr. Graham: Mr. Chairman. I move that we do now call it 5:30.

Mr. Chairman: I will not accept your motion. At this time I will recess until 7:30 p.m. this evening.

Hon. Mr. Graham: I knew that one of us would get it right sooner or later. Mr. Chairman

Recess

The following Legislative Returns were tabled March 31, 1980:

80-3-1
Sewer extension in Teslin
(Oral Question, March 24, 1980 - Page 9)

80-3-2
Field Services Unit of Human Resources; Co-ordinated delivery of social services to outlying areas
(Written Question Number?)

80-3-3
Study and inventory of alcohol programs
(Oral Question - March 26, 1980 - Page 40)