



The Yukon Legislative Assembly

Number 12

4th Session

24th Legislature

HANSARD

Tuesday, April 14, 1981 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake
 DEPUTY SPEAKER — Grafton Njootli, MLA, Old Crow

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government Leader — responsible for Executive Council Office, Finance, Public Service Commission, Pipeline, Land Claims, Intergovernmental Affairs and Justice.
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Renewable Resources, Tourism and Economic Development, Government Services, Consumer and Corporate Affairs and Workers' Compensation Board.
Hon. Geoffrey Latlin	Whitehorse North Centre	Minister responsible for Highways and Public Works, Municipal and Community Affairs, Yukon Housing Corporation and Yukon Liquor Corporation.
Hon. Meg McCall	Klondike	Minister responsible for Health and Human Resources, Education and Information Resources.

Government Members

(Progressive Conservative)

Al Falle	Hootalinqua
Doug Graham	Whitehorse Porter Creek West
Jack Hibberd	Whitehorse South Centre
Peter Hanson	Mayo
Grafton Njootli	Old Crow
Donald Taylor	Watson Lake
Howard Tracey	Tatchun

Opposition Members

(Liberal)

Ron Veale	Whitehorse Riverdale South
Alice P. McGuire	Kluane

(New Democratic Party)

Tony Penikett	Whitehorse West
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(Independent)

Maurice J. Byblow	Faro
Robert Fleming	Campbell

Clerk of Assembly	Patrick L. Michael
Clerk Assistant (Legislative)	Missy Follwell
Clerk Assistant (Administrative)	Jane Steele
Sergeant-at-Arms	G.I. Cameron
Deputy Sergeants-at-Arms	Frank Ursich & Jack MacDonald
Editor of Hansard	Lois Cameron

**Whitehorse, Yukon
Tuesday, April 14, 1981**

Mr. Speaker: I will now call the House to order.
We will proceed at this time with Prayers.
Prayers

DAILY ROUTINE

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

TABLING OF DOCUMENTS

Hon. Mrs. McCall: Mr. Speaker, I have for tabling a White Paper entitled Pharmacare for Seniors.

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

REPORTS OF COMMITTEES

Mr. Graham: Mr. Speaker, I would like to present the 8th Report of the Standing Committee on Rules, Elections and Privileges.

Mr. Speaker: Petitions?
Reading and Receiving of Petitions?
Are there any Bills for Introduction?

BILLS: INTRODUCTION & FIRST READING

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Tourism and Economic Development, that a bill entitled *An Ordinance to Amend the Yukon Council Ordinance*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Tourism and Economic Development, that a bill entitled *An Ordinance to Amend the Yukon Council Ordinance* be now introduced and read a first time.

Motion agreed to

Mr. Veale: Mr. Speaker, I move, seconded by the Honourable Member for Kluane, that a bill entitled the *Court Order Interest Ordinance*, be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Leader of the Opposition, seconded by the Honourable Member for Kluane, that a bill entitled *Court Order Interest Ordinance*, be now introduced and read a first time.

Motion agreed to

Mr. Speaker: Are there any further Bills?
Are there any Notices of Motion for the Production of Papers?
Notices of Motion?

NOTICE OF MOTION

Mr. Falle: I would like to give Notice of Motion, seconded by the Member for Porter Creek West, that the Government of the Yukon examine the question of assuming responsibility for the *Northern Inland Waters Act*, as it applies to the Yukon.

Mr. Speaker: Are there any further Notices of Motion?
Are there any Statements by Ministers?
This brings us to the Question Period.

QUESTION PERIOD

Question re: Cabinet Ministers' Business Trips

Mr. Veale: Mr. Speaker, I have a question for the Government Leader regarding his tabling of answers to my written question on government trips taken by Ministers. I am referring specifically to the February 20 to 27 trip to Toronto to the RCMP/Minister of Justice Conference. Would he indicate how the time was allocated in his trip between the RCMP Conference, the meeting with Premier Davis, and the time spent at the weekend convention of his Party in Ottawa?

Hon. Mr. Pearson: Yes, Mr. Speaker, I was in Toronto from Monday until Thursday. In Toronto I met with Premier

Davis on Thursday morning.

I went, at my own expense, from Toronto to Ottawa, and returned back here to Whitehorse at my own expense after the convention.

Mr. Veale: Just to get a clarification of that, Mr. Speaker, is the Government Leader indicating that the expense of \$1,028 was simply his trip from the Yukon to Toronto, and did not involve any return expenditures? In other words, the expense has been divided equally between himself and the taxpayer.

Hon. Mr. Pearson: Yes, Mr. Speaker, that is correct. I, in fact, was not anticipating being in eastern Canada, and was anticipating having to pay all of the expenses myself. It was necessary for me to go down early and that fact allowed me, I felt, to quite rightly charge some of my expenses to this Government. I was very very careful, Mr. Speaker, because I feel very strongly that we should not charge political trips to this Government, and we are very careful not to do that.

Mr. Veale: My final question relates to the trip to give lectures at the University of Calgary. I note the Government Leader was accompanied by Mr. Morrison. Would the Government Leader indicate why Mr. Morrison was on that trip?

Hon. Mr. Pearson: Yes, Mr. Speaker; I find it necessary — as strange as it might seem to someone who has not been in this position — just about every time I go anywhere, to have someone along with me, because I cannot make all of the arrangements that have to be made for the demands upon my time, while I am Outside. I do not know whether this is good or bad, but it is a fact that I am loathe now to leave this Territory at any time without having either Mr. Morrison, or someone who is prepared to do the kind of things that are necessary with respect to my time allocations while I am Outside.

Question re: Native Unemployment in Yukon

Mr. Penikett: It is lonely at the top.

I have a question for the Minister of Economic Development. Our unemployment rate is now 20 percent, Mr. Speaker, according to the latest Economic Research and Planning Unit study; it may well be more because of difficulties with their methodology, as this House has been made aware of some year ago. Statistics Canada has now embarked upon a new labour force survey for Yukon, to their credit and to the Minister's credit. My question to the Minister is: is he satisfied that the labour force survey being now conducted by Statistics Canada will adequately reflect native unemployment in Yukon?

Hon. Mr. Lang: Mr. Speaker, I think I would have to take that question under advisement.

I should point out, referring to the preamble of his question, that the unemployment rate could quite conceivably be less than what the Member is indicating. If he reads that report, I believe there is a 3.4 percent increase of people employed in the work force. So, Mr. Speaker, there has been some progress made, contrary to what the Member is trying to indicate in his questioning.

Mr. Penikett: It reminds me of last year when we decreased the rate by exporting people from the Territory.

Given that out of eight smaller Yukon communities to be surveyed, only two have significant native populations, will the Minister seek an assurance in writing from Statistics Canada, before they publish any official unemployment and employment figures, that they will have surveyed a representative number of Yukon native communities?

Hon. Mr. Lang: Mr. Speaker, I would be expecting them to survey, in a large part, most of the communities throughout the Territory; subsequently, it would provide the information for the Member opposite. I recognize that there is a fair amount of unemployment with the native population; various things are being done by our Government, as well as at the Federal level, as I understand it, in attempting to get them into the work force wherever possible.

I would indicate further, with respect to exporting people, in the preamble to his question: once again, Mr. Speaker, that is not the policy of this Government. If one looks at the statistics that are being presented, there is definitely a stabilization, if

not an increase, of people coming to the Territory and making their homes here. One has only to look at the real estate market to see that indication.

Mr. Penikett: Mr. Speaker, I am sure the Minister is not telling us that this policy is to import the work force. That has another wrinkle too. Given that the information I have indicates it is only the eight communities that are going to be immediately surveyed, and given that only a verbal undertaking, as I understand it, has been given recently by Statistics Canada that rural Native communities and populations will be surveyed, will the Minister seek this assurance in writing from Statistics Canada, so that we can get accurate — and I mean accurate — figures about our unemployment problem, which we all recognize to be serious, especially in those communities?

Hon. Mr. Lang: Mr. Speaker, there is no question that the unemployment statistics are serious in the winter months; we recognize that most of the work force is generally employed during the spring, summer, and fall, and consequently I do not think it is a true indication, in some respects, of the actual financial situation of individuals over the course of those two or three months remaining in the year during the winter. I am prepared to look into this aspect of the question that the Member is raising, but I am not at this time prepared to give assurances.

Question re: MacMillan Pass Development Studies

Mr. Byblow: I will direct my question to the Minister of Economic Development as well. It is on the subject of the MacPass development. Can the Minister advise whether or not the MacPass development region would be subject to an environmental assessment review process?

Hon. Mr. Lang: Mr. Speaker, there are active discussions presently going on with the Federal Departments involved. As indicated, I believe, during the discussions on the Budget, that we had reallocated priorities in the renewable resource side of the Budget, for a bio-physical study of the MacPass area. With respect to the environmental assessment review process, right now indications are that it will not be necessary to go through that procedure; however, there are still discussions going on, so that is not firm at the present time.

Mr. Byblow: Is the Minister confirming then that there is a renewable resource sub-agreement being struck, to collect resource base data and environmental data on this region?

Hon. Mr. Lang: Mr. Speaker, just to refresh the Member's memory: he has voted for a Budget, over the last two years, that provides for certain environmental studies to be done under the Renewable Resource sub-agreement. With respect to the MacPass area, in view of the activity up there, I indicated in the Budget, and perhaps he was outside the House when we were discussing it, that we had re-aligned priorities, and we were putting a concerted effort into doing a number of studies of the MacPass area, because of the development that is proposed there.

Mr. Byblow: I am glad the Minister has confirmed that this region is being examined in terms of resource base data. My final supplementary would be to query whether or not a land use survey of this region is being prepared. If it is not, would it require that — prior to any development?

Hon. Mr. Lang: Mr. Speaker, I am not too clear as to what the Member sees as a land use survey. I think there are certain studies that have to be done with respect to the fresh water that could be affected, as well as the fisheries. I think at the same time, there has to be a certain amount of credence given to the fact that some development can take place over the course of the next number of years without a long drawn-out affair, which means that the people that the Member for Whitehorse West has referred to that are unemployed could result in their having to wait back for some inquiry to take place.

I recognize there is some responsibility for environmental studies, certainly in the land base as well, but at the same time, Mr. Speaker, it is the position of this Government that certain things could proceed with very little problem.

Question re: Parks Canada/Cost-Sharing in Community Projects

Mrs. McGuire: I have a question for the Minister of Municipal and Community Affairs. During the consideration of the municipality financing for Haines Junction, would the Minister and his Government implement a cost-sharing plan with Parks Canada on various community projects, from which Parks Canada and its employees benefit with no extra cost to them?

Hon. Mr. Lattin: I believe that particular one would take some investigation, and I will take that question under advisement.

Mrs. McGuire: I would ask the Minister if he would agree, then, that O&M charges on the new proposed sewage lagoon should be cost-shared at least 40 percent by Parks Canada, thus relieving the financial burden of Haines Junction taxpayers?

Hon. Mr. Lattin: Where I have taken the other question under advisement, we will consider that also.

Question re: Mosquito Control

Mr. Fleming: On a little more serious note: on the news release I see that our old flying friends are all back this spring again, and I see that the Government is spending \$28,000 to ban these pests from Yukon. I would ask the Minister of Community Affairs, Mr. Speaker, as to why he does not attack this pest through the *Petty Trespass Ordinance*, and, failing this, to ban this obnoxious fellow from Yukon with regulations?

Hon. Mr. Lattin: I am afraid, Mr. Speaker, I am going to have to take that one, also, under advisement.

Question re: Porcupine Caribou Herd

Mr. Veale: Mr. Speaker, I have a question for the Minister of Renewable Resources. The Minister is well aware of the United States Government's unwillingness to enter into an international caribou treaty. Would he indicate what developments have taken place recently, along the lines of a management plan for the Porcupine Caribou Herd in Canada?

Hon. Mr. Lang: Mr. Speaker, there have been discussions at the official level over the course of the last year. I recognize that the United States Government has indicated that they do not want to enter into an international agreement, complying with the wishes of the State of Alaska. It is my understanding that the State of Alaska has taken the position that the management of the herd can be done in such a manner between the two jurisdictions, Yukon and Alaska, as well as, to some extent, Northwest Territories, without complicating it with Federal involvement.

As far as I know, the management of the caribou herd has gone no further than what was announced with respect to the position that was brought forward by the Government of the United States; I am not too sure, Mr. Speaker, whether it is an official statement by the United States Government, or whether it was second-hand information that was brought through by the media.

Mr. Veale: Has the Minister, or a member of his department, actually had recent ongoing discussions with Federal Government officials about the concept of a Canadian management plan for the Porcupine Caribou Herd, which would involve the people of Old Crow as part of that management?

Hon. Mr. Lang: Mr. Speaker — and I am going on memory now — I do not believe there have been discussions recently, but I would have to double check.

Mr. Veale: Is it the intention of the Government to pursue such a management plan, on behalf of people of Yukon and in conjunction with the people of the Northwest Territories?

Hon. Mr. Lang: Mr. Speaker, I am more than prepared to consider anything, as long as it makes sense.

Question re: Wolf Creek Mineral Claims

Mr. Penikett: And it does not cost any money, Mr. Speaker. I have a question for the Minister of Municipal and Community Affairs. Can the Minister indicate whether he has as yet any answers to my questions in the previous Session, regarding mineral claims and surface title in Wolf Creek, and the appa-

rent requirement for the posting of a bond in the event of damage to property?

Hon. Mr. Lattin: Mr. Speaker, this is an ongoing concern of not only Whitehorse but of other jurisdictions, and at this particular time I have nothing more to report on it.

Mr. Penikett: I am heartened to hear that it is an ongoing concern. I wonder if the Minister could indicate what steps he is taking to petition the Federal authorities to tighten up the Federal law involved, so that property owners' interests are fully protected, in the case of a conflict with the holders of mineral claims?

Hon. Mr. Lattin: Mr. Speaker, at this particular time we have had some discussion, and that is as far as we have gone.

Mr. Penikett: I am again pleased that there has been some discussion. I wonder if the Minister could indicate to the House something about the nature of those discussions and the persons involved and whether they will be continuing, but also, at the same time, indicate what specific action in those discussions he is looking for, with respect to the kind of situation we found at Wolf Creek last year.

Hon. Mr. Lattin: Mr. Speaker, as I say, we are discussing it. I am not able at this time to elaborate on any achievement from these discussions; it is a very complex thing. It is a problem that we have had not only in our own area but in other areas, and I really do not think there is any cut and dried or ready solutions to it. I think the only thing we can do, Mr. Speaker, is to recognize that there is a problem, and hopefully, by pursuing discussions and seeing what they are doing in other jurisdictions, probably the whole concept of conflict between the two parties will be resolved in a satisfactory method to everybody.

Question re: Agricultural Land Policy

Mr. Byblow: I have a couple of questions for the Minister of Municipal and Communities Affairs, as well. It is on the subject of agricultural land policy.

Insofar as the outlying areas of the Territory are concerned, where agricultural potential exists within the boundaries of the present L.I.D.s and municipalities, can the Minister advise whether agricultural policy within those boundaries will be primarily the jurisdiction of the municipal entity?

Hon. Mr. Lattin: Mr. Speaker, when an overall agricultural policy is in effect, it would be for lands that we would consider to be under the jurisdiction of YTG. I would submit to you that if there is some agricultural land within the municipality or L.I.D., I would think that we would be very amiss if we were to tell the people how to look after their own jurisdiction. I would also say, Mr. Speaker, that they would have the zoning authority in that area, so they would have the ultimate say as to whether agricultural leases would be obtainable in their jurisdictions.

Mr. Byblow: I appreciate what the Minister is saying, because it relates very specifically to a couple of cases in my riding, where there is some confusion as to the jurisdiction over an agricultural land use policy. I would simply ask the Minister if he could clarify, then, that it is up to the municipalities to establish land use policy within their boundaries, as pertaining to agricultural pursuits?

Hon. Mr. Lattin: Yes, Mr. Speaker, I would say that would be a fair assessment.

Question re: Pipeline Compensation for Trappers

Mr. Penikett: Mr. Speaker, I have a question for the Government Leader. I want to thank the Government Leader for yesterday answering my written questions on the matter of pipeline compensation for trappers. In his answer, the Government Leader states that the proposed terms and conditions outline an arbitration process for compensation.

In this regard, can the Government Leader inform the House if he is aware of Bill C-60, which was recently passed by the Federal Parliament?

Hon. Mr. Pearson: No, Mr. Speaker, I am sorry — possibly if the Honourable Member had given me the title of the bill, it might have helped me in my recollection.

Mr. Penikett: Thank you, Mr. Speaker; I see the Govern-

ment Leader is a literary man. I thought, as the Minister of Finance, that he was a numbers person. But, I stand corrected. It is Bill C-60 which is amendments to the *National Energy Board Act*, which institutes a comprehensive arbitration and appeal process for land owners and users whose property is affected by pipeline. I wondered if the Government Leader could indicate whether this bill, the amended *National Energy Board Act* would, in this respect, take precedence over the terms and conditions for the pipeline?

Hon. Mr. Pearson: Mr. Speaker, I am not positive, but I do not believe that they would. I believe that those terms and conditions are being made specifically for that pipeline, and if they are signed, they will apply specifically to that pipeline and will, in fact, be law. They will be law under a Canadian Act.

Mr. Penikett: Of course these amendments too came in as a result of some problems in the South, in connection with the same pipeline. I wonder if the Government Leader could inform the House what his officials are doing to inform trappers and other land users of their rights under this legislation, and in light of his answers yesterday, so that they may know to what extent their interests will be protected?

Hon. Mr. Pearson: Well, Mr. Speaker, we have had a number of meetings with the Trappers' Association; we have had our pipeline meetings with the Trappers' Association. Our Wildlife Branch has quite an interest in trapping in the Territory, and are working very closely with them. I am quite confident, Mr. Speaker, that all of the trappers who might be affected by that pipeline at any time are well aware of what the terms and conditions say, and the alternatives that are going to be open to them.

Question re: Alcohol and Drug Services

Mr. Veale: I have a question for the Minister of Health and Human Resources regarding alcohol and drug services. The Minister recently announced the rejection of the main recommendation of the Brass Report: that of establishing an independent foundation. She further stated that many of the problems outlined in the Brass Report were being addressed. What steps has the Minister taken to ensure that the outlying areas of the Yukon, as well as Whitehorse, are well-served by alcohol and drug services?

Hon. Mrs. McCall: Mr. Speaker, much analysis is being done of the outlying areas: how they may best be served — community health workers and community alcohol workers working as teams.

Mr. Veale: One of the areas of the Brass Report was that local community alcohol committees should be established, and it was a concept that was considered to be excellent in the report. Would the Minister advise how many such committees have been established to date?

Hon. Mrs. McCall: Mr. Speaker, the department is organizing a conference on alcohol and drugs in the Yukon, and at that time, the subject of local committees for alcohol treatment will be looked at.

Mr. Veale: One of the other areas of concern is that my information is that the number of workers that used to be involved in the Community Consultant Program have been reduced. Would the Minister confirm that that is in fact the case, and what she intends to do about it?

Hon. Mrs. McCall: Mr. Speaker, some time ago there was much criticism of hiring southern social workers, so the department has been making an effort to hire local people, and Yukoners particularly. This is a little difficult to do at times. There are not the trained people in the Yukon, so this is another problem that the department is looking at very carefully.

Question re: Canada/Yukon Tourism Agreement

Mr. Byblow: I have a couple of questions I will direct to the Minister of Tourism. It is on the subject of the Canada/Yukon Tourism Agreement. Under the various projects and programs implemented under the agreement, there is one particular program identified as the tourism opportunity identification program. As I understand the program, it is assistance money provided towards the preparation of studies, and to-

wards the development of tourism-related facilities. I would ask the Minister whether he can confirm if that is the particular program under which at least \$2 million is still left uncommitted, and is therefore still available?

Hon. Mr. Lang: No, it is not, Mr. Speaker.

Mr. Byblow: Would the Minister then be aware of whether or not there is still funding available under this particular program and, if so, perhaps, how much?

Hon. Mr. Lang: I believe there is, Mr. Speaker. The total amount allocated to this program at the initiation of it was approximately \$300,000. I am going on memory now. I will provide the information concerning the exact amount, but I believe it is \$300,000.

Mr. Byblow: When he does provide that information, could he confirm whether or not the application deadline date for that particular program is still January, 1982?

Hon. Mr. Lang: Mr. Speaker, I understand it is. I should clarify further, perhaps. The grants are available, Mr. Speaker, for approved proposals up to 75 percent of the first \$10,000, and 50 percent of eligible costs in excess of \$10,000, to a maximum of \$50,000, depending on the proposal.

It should be pointed out that it is fairly clear in the terms and conditions what eligible costs could be utilized for this program: for example, architectural design, technical, legal or financial services. So, it is fairly specific, Mr. Speaker, where this money could be spent on a cost-shared basis with the applicant.

Mr. Fleming: A supplementary, Mr. Speaker, to the same Minister on the other part of that same subject: it was yesterday morning, I think, that I asked the question, and I specifically asked if that program could be used, for instance, to build a campground on the Alaska Highway by a tourism operator, and I got a long-winded answer which did not quite explain that in detail.

Hon. Mr. Lang: Mr. Speaker, is the Member making a statement?

Mr. Fleming: No, it is not a statement. I am asking the Minister: can that program be used for that type of a thing or for that specific item?

Hon. Mr. Lang: I believe that would be considered, Mr. Speaker. It has to be understood that these proposals go before the Federal-Territorial management board set up under the agreement, and each proposal is considered on its own merit — of commercial viability of whether or not they are eligible to receive some assistance to get a certain project underway. I will double-check for the Member.

Question re: Elections Ordinance

Mr. Penikett: Thank you, Mr. Speaker, I have a question for the Premier. Last fall the Rules, Elections and Privileges Committee recommended to the House that the revised *Elections Ordinance* provide for the nomination by registered political parties to the Elections Board, and at the time, during debate, there was some indication that the Government might later be bringing forward such amendments. Could the Government Leader indicate whether we can expect such amendments in this Session?

Hon. Mr. Pearson: I am sorry, Mr. Speaker, the Honourable Member has taken me by surprise with a question, finally, for which I do not have the answer. I will have to check into that.

Mr. Penikett: Mr. Speaker, I fear I may have been talking too fast; if the Government Leader did not understand the question clearly, it concerned those recommendations in the Rules, Elections and Privileges Committee report which did not find their way into the amendments to the *Elections Ordinance*. I am specifically interested in the recommendation of the Committee that registered political parties, now that they exist, should be allowed to nominate to the Elections Board, and not just the Government Party.

Hon. Mr. Pearson: Yes, Mr. Speaker, we very seriously considered that recommendation, and, as seriously as we could, Mr. Speaker, decided that we could not accept that

recommendation, nor should we accept that recommendation; therefore it was not included in the amendments, as pointed out by the Honourable Member.

Mr. Penikett: I am sorry to hear that, Mr. Speaker. I understood, during the debate on the legislation, that there was a commitment to reconsider the question. So that I can be perfectly clear on this from the Government Leader, is it the position of his Government then that future appointments to the Elections Board will be made exclusively by nominations from the Government Party — and this is the Board that referees elections and must be fair to all Parties — rather than the other Parties represented in this House?

Hon. Mr. Pearson: Mr. Speaker, in fact, when those — I should not say “we” because this Government has not made any nominations to that Board. I am aware that when that Board was first set up, advice was sought. I believe that this Government, and any government that follows, would seek the same kind of advice, because, I must admit, the appointments to that Board are I think good ones. They have worked, and worked well. The Board has functioned to everyone’s satisfaction, I am sure. I would not like to see that Board, particularly that Board, answerable to any political party at all.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Mr. Speaker: There being no further questions, we will proceed at this time to Orders of the Day, under Government Motions.

Mr. Clerk: Item Number 3, standing in the name of the Honourable Mr. Lattin.

Mr. Speaker: Is the Honourable Member prepared to deal with Item Number 3?

Hon. Mr. Lattin: Yes, Mr. Speaker.

Motion Number 14

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Whitehorse West, that the membership of the Standing Committee on Public Accounts as established by Motion Number 31 of the Second Session of the 24th Legislature be amended:

- (1) by rescinding the appointment of Mr. Hibberd, and
- (2) by appointing Mr. Falle to the said Committee.

Hon. Mr. Lattin: Mr. Speaker, I think what we are trying to do at this time is quite evident in the Motion. I have nothing else to say on it at this particular time.

Motion agreed to

Mr. Clerk: Item Number 4, standing in the name of the Honourable Mr. Lang.

Mr. Speaker: Is the Honourable Member prepared to deal with Item 4?

Hon. Mr. Lang: Yes, Mr. Speaker.

Motion Number 15

Mr. Speaker: It has been moved by the Honourable Minister of Tourism and Economic Development, seconded by the Honourable Government Leader, that Messrs. Tracey, Graham and Veale be appointed to the Special Committee on Food Prices, as established by resolution of this House.

Hon. Mr. Lang: Mr. Speaker, I think the resolution speaks for itself. You will recall a number of days ago that we had a debate concerning the principle of a public inquiry being held on this particular issue, rather than a committee of the House being set up, to investigate the situation that exists in Yukon as far as the food prices are concerned.

I want to reiterate, Mr. Speaker, that I spoke against the principle of a public inquiry, for a number of reasons: one was the legal jurisdiction of the public inquiry. Also, I spoke against it with respect to the financial implications of a public inquiry and what it would mean to the taxpayer, and also what the responsibilities of the Members of this House were, and how we could utilize the resources of this House to accomplish the same ends, but probably more possibly come to some solution

or recommendations that could be perhaps enacted by Government down the road.

I was somewhat disappointed, Mr. Speaker, with respect to the statement made by the Member for Riverdale South on his position with respect to a committee of the House to look into this matter. I recognize that the Members of the House have the prerogative of appointing Members to the Board, and I would like to hear further what other Members have to say, with respect to the membership of this particular Committee.

Mr. Hanson: Mr. Speaker, I have an amendment to the motion, seconded by the Honourable Member for Hootalinqua, that the said motion be amended by substituting the name, "Penikett" for the name, "Veale" where it appears in the first line.

The reason being, Mr. Speaker, that — and I will quote *Hansard* where the Honourable Leader of the Opposition said:

"Mr. Speaker, I take interest in the amendment because it is clearly put forward in a spirit of cooperation. But I do not support the amendment for this reason: it does not, in any way, go to the root of the issue. The importance of having an inquiry is that it can get down to the facts. We now have a proposal which, superficially, looks like an excellent solution, but is in no way going outside this jurisdiction to meet with people, to come up with anything that is more realistic than the Minister's meeting with Kelly Douglas now. It does not advance the position at all. For that reason, I cannot support the amendment."

Mr. Speaker, what it says, before the Committee has even got off the ground or the members have been appointed, is that the Honourable Leader of the Opposition does not agree with it. So, I tend not to support the motion as it reads right now; I favour the Committee being set up, but I cannot support it on the basis of the Honourable Leader of the Opposition being on it when he is against it before it starts.

Thank you, Mr. Speaker.

Mr. Speaker: Could the Chair have a copy of the proposed amendment?

Mr. Veale: I indicated publicly last Friday that I would sit on the Committee. I am somewhat disappointed that the Member for Mayo feels that way, as I was prepared to put in a great deal of work and cooperate with the Government on that particular amendment that had made, in spite of the fact that I still take the position that an inquiry under the *Inquiries Ordinance* is the best procedure.

I am still, of course, prepared to sit on that Committee and work hard for it, as it is meeting the Government on its amendment, and moving forward to produce the best possible food prices that we could have in this Territory.

Of course, I would not stand opposed to the amendment because it is appointing another very Honourable Member of this Assembly who has worked hard in that regard, as well.

Mr. Speaker: Order please. Before we proceed any longer I ought to, from the Chair, propose the question.

It has been moved by the Honourable Member for Mayo, seconded by the Honourable Member for Hootalinqua, that the said Motion be amended by substituting the name, "Penikett" for the name, "Veale", where it appears in the first line.

Mr. Penikett: Mr. Speaker, I would be happy to be on the Committee.

Mr. Fleming: I did not hear the comment by the Honourable Member. I would appreciate hearing it before going into the amendment of the Motion.

Mr. Speaker: Is there any further debate? *Amendment agreed to*

Mr. Speaker: Is there any further debate on the Motion as amended?

Motion agreed to

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

Mr. Clerk: Second reading, Bill Number 21, standing in the name of the Honourable Mrs. McCall.

Bill Number 21: Second Reading

Hon. Mrs. McCall: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 21, *An Ordinance to Amend the Health Care Insurance Plan Ordinance* be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Health and Human Resources, seconded by the Honourable Member for Hootalinqua, that Bill Number 21 be now read a second time.

Hon. Mrs. McCall: Mr. Speaker I am pleased to present, for the consideration of the Legislative Assembly, the White Paper on Pharmacare for the Yukon Senior Citizens Program. During the Fall Session of the Yukon Legislature, interest was expressed by all Members, in instituting a prescription drug plan for senior citizens. The objective of such a plan would be to reduce the direct cost of prescription drugs for that group, who are often on a fixed income and most vulnerable to the increased cost of living.

To this end, the Department of Health and Human Resources has researched drug plans throughout Canada. In addition, the Deputy Minister and Minister of Health and Human Resources have had the opportunity to meet with representatives of the Health Protection branch of the Department of Health and Welfare on this matter. In preparing this paper, meetings have been held with the Medical Services Branch, Yukon region; National Health and Welfare; Yukon Council on Aging; pharmacists representing the retail drug store outlets; the Yukon Medical Association; and the Yukon Dental Association.

Estimates of the size of population which will be served by this plan vary somewhat, owing to discrepancies in available statistics. For example, according to the September, 1980 population statistics in the Yukon Economic Review, there are 1,234 residents 65 years of age and over, while there are approximately 875 residents in that age group registered in the Yukon Health Insurance Care Plan.

In July, 1980, there were only 689 persons registered for old-age security. It is estimated that there are 396 status Indians 65 years of age and over. The 1981 Census may provide a more accurate figure. Yesterday I tabled *An Ordinance to Amend the Health Care Insurance Plan Ordinance*, and today I am tabling this White Paper in the Legislature.

The intention is to introduce the Pharmacare for Yukon Senior Citizens Program as regulations, pursuant to the amended *Health Care Insurance Plan Ordinance*. This will enable the Government of Yukon to have the program in place months earlier than was originally forecast, and to provide these much needed benefits to Yukon Senior Citizens sooner. Therefore, this Government intends to have the Pharmacare for Yukon Senior Citizens Program in place by July 1, 1981. The White Paper outlines the features of the Pharmacare program that I will be introducing as regulations, so that Members will have the opportunity to know what the specific nature of the program will be. It is intended that this White Paper will provide information on the various program features that will be included in the regulations under which this program will operate.

One of the central issues of the Pharmacare for Yukon Senior Citizens Program is to build in appropriate and reasonable controls, but to balance this with streamlined administrative procedures which will minimize administrative costs. Both in developing this paper and in subsequent development of the regulations pursuant to the *Health Care Insurance Plan Ordinance*, ongoing consultation with professional and community groups affected by the plan is seen as essential to the implementation of a plan which truly meets the needs of Yukon senior citizens.

Mr. Veale: Well, let me say, Mr. Speaker, that we are certainly in agreement with Pharmacare, and we are pleased that the Government has been able to move so quickly in introducing it. We certainly may have comments on some of the details outlined in the White Paper and some of the specifics, but we

are in agreement with the general principle of the legislation.

Motion agreed to

Mr. Clerk: Third reading, Bill Number 17, standing in the name of the Honourable Mr. Lattin.

Bill Number 17: Third Reading

Hon. Mr. Lattin: Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 17, *An Ordinance to Amend the Lands Ordinance*, be now read a third time.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Hootalinqua, that Bill Number 17 be now read a third time.

Motion agreed to

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

Hon. Mr. Lattin: Yes, Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that Bill Number 17 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Hootalinqua, that Bill Number 17 do now pass and the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I declare that Bill Number 17 has passed this House.

Mr. Clerk: Third reading, Bill Number 16, standing in the name of the Honourable Mr. Pearson.

Bill Number 16: Third Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Tourism and Economic Development, that Bill Number 16, *Third Appropriation Ordinance (1981-82)*, be now read a third time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 16 be now read a third time.

Mr. Veale: My only comment on this loan to White Pass is that it is interest-free, and it amounts to a substantial amount more than \$1 million because of the interest-free provision. Although we do not oppose it, we are hopeful that the Government is making some investigation into ways of helping the small business man of the Territory, who is still paying interest rates of 18 to 20 percent on money that he has borrowed.

Hon. Mr. Lang: Mr. Speaker, with respect to the comments made by the Leader of the Opposition, the problems that the small business people with the financial institutions as they exist today are a major concern to us. One thing about it: if the Government of Canada could get the value of the dollar to the degree that it should be, perhaps it would resolve some of our problems.

Further to that, Mr. Speaker, for the Member's information, we are negotiating a Business Development Incentive Act, which, hopefully might alleviate some of the problems that the Member has raised. All we have to do is get some cooperation from the Government of Canada; at the present time it appears the cooperation might be there.

Motion agreed to

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

Hon. Mr. Pearson: Yes, Mr. Speaker. I move, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 16 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 16 do now pass and that the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I declare that Bill Number 16 has passed this House.

We are now prepared to receive the Commissioner, in his role as Lieutenant-Governor, to give Assent to certain bills.

Mr. Commissioner enters the Chamber, Announced by the Sergeant-At-Arms

Mr. Commissioner: Please be seated.

Mr. Speaker: May it please your Honour, the Assembly has, at its present Session, passed a number of bills to which, in the name of and on behalf of the Assembly, I respectfully request your Assent.

Mr. Clerk: *Second Appropriation Ordinance (1981-82); Loan Agreement Ordinance (1981) No. 1; Financial Agreement Ordinance, 1981; Municipal General Purposes Loan Ordinance, 1981; An Ordinance to Amend the Tobacco Tax Ordinance; An Ordinance to Amend the Home Owners' Grant Ordinance; An Ordinance to Amend the Fuel Oil Tax Ordinance; Third Appropriation Ordinance, 1980-81; Interprovincial Subpoena Ordinance; Survival of Actions Ordinance; International Child Abduction (Hague Convention) Ordinance; Miscellaneous Statute Law Amendment Ordinance, 1981, (No. 1); An Ordinance to Amend the Lands Ordinance; Third Appropriation Ordinance (1981-82).*

Mr. Commissioner: I hereby Assent to the Bills as enumerated by the Clerk.

Mr. Commissioner leaves the Chamber

Mr. Speaker: May I have your further pleasure at this time?

Mr. Graham: Mr. Speaker, I recommend that we now proceed with Motions Other Than Government Motions.

Mr. Speaker: We will now call Motions Other Than Government Motions.

MOTIONS OTHER THAN GOVERNMENT

Mr. Clerk: Item Number 1, standing in the name of Mr. Veale.

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

Mr. Veale: Mr. Speaker, I understand that there will be time tomorrow, and I am prepared to have that stand until the next sitting day.

Mr. Speaker: So ordered.

Mr. Clerk: Item Number 2, standing in the name of Mr. Penikett.

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

Mr. Penikett: Yes, Mr. Speaker.

Motion Number 10

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse West, seconded by the Honourable Member for Mayo, that the Second Report of the Standing Committee on Public Accounts, presented to the House on April 6, 1981, be concurred in.

Mr. Penikett: This is the Second Report of the Standing Committee on Public Accounts. Last year, in my presentation on behalf of the Committee, I spent some time detailing the procedures that we had adopted, which were and are unique among Public Accounts Committees in Canada.

It is appropriate for me to tell you at this time that those procedures have not, in any substantive way, changed during our second round hearings, except in one major respect. Last year, following the practice of the Province of Saskatchewan, which province's committee had been studied by our Clerk prior to the establishment of this Committee, we sat *in camera*. Following the advice from a number of other Public Accounts Committee chairmen in the rest of the country, and after some discussion by our Members, an important decision was made this year to hold our hearings in public.

I believe, Mr. Speaker, that, somewhat to the surprise of all Members, the fact that the committee hearings were in public, that the press had access to the proceedings on a daily basis, and that citizens were able to come and observe the proceed-

ings, made absolutely no difference whatsoever to the way in which the Committee worked.

We were unfortunate this year that we had lost the services of a former Leader of the Opposition who was a Chartered Accountant — someone who was interested in this subject matter and who played an invaluable role in the Committee. He was, I think personally, very influential in establishing a tone and a business-like manner for the hearings in our first sitting. However, replacements for the Members for both Whitehorse South Centre and Riverdale South were made. The Member for Hootalinqua and the Member for Faro, I want to say, did admirable service as new Members to the Committee. Of course we also lost the Member for Whitehorse North Centre, who was elevated to new responsibilities and therefore could not continue.

The Committee is, I think, evolving slowly. We have, as has been outlined before, adopted the modern practice of Public Accounts Committees; which is to be future-oriented, to be positive in their recommendations — rather than dwelling, as Public Accounts Committees have in the past, on particular horror stories that may or may not arise, from year to year, in one department or another.

There is, I think, still an unfortunate tendency in some provinces for the Public Accounts Committee to dwell, *ad nauseam*, on the expense accounts of certain Deputy Ministers, or Cabinet Ministers, and so forth. We really have not yet had reason to spend any time with that subject, but we have instead been proceeding to deal with two departments a year, and attempting to look at the administration of the public funds, in the year-end review and years preceding that, of those two departments, in the hope that — unless the growth of Government departments accelerates — that we will, in the normal four-year life of a Legislature, be able to cover most of the major branches of government.

This year I think we have already seen — and the Government is to be complemented for this, as well as the Committee I think — some evidence that the Committee has had some quiet impact on the administration. As the Government Leader has previously recognized, I think that the Committee had some influence on the fact that we had a new form of the Estimates. I do not know whether the Committee had anything to do with the fact that we had much better supplementary information on the road equipment replacement account this year, but I think that is also a positive development.

It should be noted that my discussions, and the discussions of our Clerk, with other PAC Chairmen, have assisted me enormously in trying to see the Committee's work done.

I want to emphasize that this Committee has been a real pleasure to serve on, by virtue of the equal contribution by all Members on it. I think that both the Members last year, and the Members who continued this year and the new Members this year, all played a fair and equal share in the work of the Committee. That was a great satisfaction to me.

Public Accounts Committees are unique in one respect: that, save and accept for the Statutory Instruments Committee, it is the one Committee of the House where Members sit, not as Members of a Party, but sit solely as Members of the House to dialogue with the Administration, rather than their political opposites on the other side of the House. That dialogue has so far proved useful, but let me say this: it has also been extremely educational for myself, and, I think, for other Members of the Committee. If we did nothing else but spend two weeks getting a useful seminar on the way certain departments run, I would feel it was time well-spent. However I think we have a larger purpose than that, and therefore, Mr. Speaker, I would like to dwell briefly on our recommendations, and other Members of the Committee will also want to comment on these recommendations.

Recommendation Number 1 may be unnecessary, and the Government Leader may want to elaborate on that point. I think the auditors and Members of the Committee were slightly confused — having read the financial administration manu-

al — about the delegation of authority. I know we were confused at last year's hearing, about the way in which that delegation flowed down from the Commissioner. As I understand it now, that delegation is clearly in the hands of the Ministers, and if that is the case, then the recommendation is redundant, and that is good.

The second recommendation, to do with long term planning of highways, I want to emphasize, is not a recommendation which is very forceful or strong. It does not say that this Government really must do long term planning, but we that think we have reached the time in the development of our road system to really take a look at the probable benefits of planning for a longer period than the current five year period, and to formalize the informal planning process that now operates.

The third recommendation, concerning the accident plotting system, we think would cost practically nothing to implement, and would be a useful planning tool for the department.

Recommendation Number 4, concerning personnel data for highways, arose, I think, from some fairly startling evidence the Committee heard from one of our witnesses: evidence to the effect that he did not know where employees of the department were, or words to that effect. We had some problem believing this, or accepting this evidence, but it was indicated to us that the way in which the employees were accounted for, or managed, did leave some gaps in the information, which we thought this House could use.

Road equipment replacement accountability is not a new issue. It is one that was mentioned last year. I think, as I said, that progress has been made on that.

Number 6, the maintenance and reconstruction criteria, concerns the Highways Department. I want to tell the Government Leader, since I know he is familiar with the Department, and also the Minister opposite, that the intellectual capacity of all Members of the Committee was stretched to its limit in trying to understand or juggle the different criteria delineating maintenance and reconstruction, and so forth. It took us quite a long time to come up with this recommendation, much less understand the way the system worked.

Maintenance cost identification: I think that recommendation is fairly self-explanatory. Again, it is one that we will be interested to hear the Minister's response to.

Transfer of funds, Recommendation Number 8, again is not a major recommendation; it is just a small matter that arose during the course of the hearings.

The construction program coordination: I want to emphasize that we have all heard stories, from time to time, about the ability of Public Works to do things more cheaply or more expensively than other departments, in the propriety of perhaps a department's contracting directly out for some job or work that needs doing.

We feel that, whatever problems may have existed in that area in the past, accountability requires that there be a department responsible and a Minister accountable, so that we may know who made mistakes — if they occur — and know who to blame. The Minister of Municipal Affairs blanched slightly, but we think that is probably the right way to go.

Facility construction responsibility is, again, a recommendation of the same kind, and flows logically from the same concerns.

Evaluation of contract proposals: I think I should be fair in saying that this recommendation really arose because of a large number of questions surrounding the Dawson sewer and water project — which questions, in fairness to the department, I say, are not answered yet, which may be answered to our satisfaction. I believe that the Deputy Minister has indicated that he may at some point be in a position to do a proper review of that project, when it is finally wrapped up; the Committee has asked for some report on that review.

Recommendation Number 12 moves out of the Department of Highways and Public Works, and into the Department of Renewable Resources. Prior to the witnesses from that department appearing before the Committee, we had a look at the

Annual Reports from that department for recent years, and at the Statement of Objectives in other Government documents, and the statements that the chief witness gave us. There were a number of inconsistencies; some inconsistencies would be natural in a new and growing department, but others we felt indicated a poor understanding of the department's responsibilities and objectives. I believe the witness advised us there was some work underway, in terms of rewriting the objectives of that department, and I think the Committee would be pleased about that.

Again, the problem of performance measurement is a difficult one. The Committee spent some time on this question, but we feel that unless the objectives are clearly stated, and the activities then flow logically from that and the programs of the department are clearly defined, if this is lacking then accountability is very difficult, and the measurement of the work of the officials of the department becomes near impossible.

There is a continuing concern expressed by Members of the Committee, about the data base needed to management wildlife in the Territory. We feel the data base is insufficient at the moment. There may be some comment in the House about whether the department has sufficient resources to do that work at this time, and there may be some policy questions involved there, into which I do not want to stray, but as far as the management of the resource is concerned, I think the Committee feels that, at this point in time, there is not sufficient data to be able to do the job properly.

Recommendation Number 15, concerning licence fees, is also one arising out of the problem of management: of whether, from a management point of view, there are sufficient recoveries to be able to offset the costs involved in carrying out those duties.

The Committee Members, you will have noted, also went back, before it called its witnesses, and reviewed the implementation of the recommendations from the previous year. We view that as an extremely important function of the Committee, and one that the Committee will continue to follow. I expect that the Committee, next year, will follow up on the recommendations from this year, and the commitments made by Ministers and officials to implement or not to implement them. I would hope that, as things proceed, the Committee, over a period of time, will be able to contribute more and more to the smooth and effective functioning of this Government, and that, in some small way, we will be able to contribute to taxpayers achieving some satisfaction that they are obtaining value for money.

Mr. Speaker, I have spoken at length but not in great detail about the Report. I hope I have given some rough summary of the recommendations, and our reasons for coming to them. I would urge all Members to support adoption of the Report.

Mr. Byblow: Mr. Speaker, in addition to the Chairman's comments, I would like to offer several observations on the Report and the nature of the Committee.

As the Chairman noted, I was appointed to this Committee last fall and, for the first time, participated in the Committee investigations this past winter. I want to say how informative and useful I found the exercise, the fruits of which are tabled before you.

In particular, I observed and must compliment the cooperative attitude by the witnesses from the various departments that appeared before us.

Further to that, I was particularly impressed with the Deputy Minister of Highways and Public Works, who was put through several days of very grueling questioning, and who provided the Committee with invaluable information and understanding of the internal workings of that department, and of course, from whom emanated most of the recommendations of the report.

If there is any activity of this Legislature that operates with less partisanship, I would be interested to know where it takes place. The openness that I observed, the lack of partisanship, the lack of the party lines, and the general public concern

demonstrated by Committee Members, demonstrates to me that this Committee is something very useful to the functioning and understanding of the legislative process.

It is quite clear though, that matters of policy remain in the domain of the political decisions, but it is the procedures, the efficiency, the day-to-day accountability of that public purse that rests in the hands of the administration. I think the Committee, in investigating this and reporting on the latter, found it a very useful exercise in understanding. As noted by the Chairman, the Committee will be following up on recommendations presented to the Legislature, just as it followed up on recommendations made last year.

Personally, I look forward to continuing my work on the Committee, and I certainly would suggest to each Member that not only are the recommendations worth examining, but the transcripts will provide just as much information.

Mr. Hanson: Mr. Speaker, as a Member of this Committee, I feel I should talk on the Report as well. I must mention, to start with, since this is my first Committee meeting this winter, I was very impressed with the Committee and the way it was run. I was very pleased with the support staff, who were doing all the work really and putting up with the Chairman, who did a very good job; and, as a well-operated committee, we had lots of work to do. Of course, if we had lots of work to do, our Researcher and Clerk had more to do than we had. In fact at that time, the lady was limping around with a fractured ankle, and during the process of this Committee meeting, she had to go to the hospital for a major operation, and a screw was removed from her ankle.

Mr. Speaker, the lady in question did a very good job, and she should be commended by this House.

It also should commend the witness, particularly, as the Member for Faro said, the Deputy Minister of Highways and Public Works. Previous to this man's arrival on the scene, the system was kept in someone's head. There was no clear-cut system. That is my opinion of it. I think now that we are going to have a system come out of this report, and with the knowledge that that Deputy Minister has, I think that any one will be able to understand the system when he is done with it.

In the Wildlife and Renewable Resources, the only way I can put it is that I did not understand it when I was the Minister there; I understood it less after going through this Committee hearing. I can understand part of the reasons as to why you cannot really get a handle on anything, because, up to this date, most of your data is found by word of mouth or from reports that are given to them by people throughout the Territory. However, I think the report is a useful report, and I hope the Ministers will read it thoroughly and see the good points in it — not just the bad points, if they find any — and I hope they will endorse it.

Thank you, Mr. Speaker.

Hon. Mr. Pearson: Thank you very much. Mr. Speaker, I am very pleased to see that the Report of the Standing Committee on Public Accounts has been tabled so quickly after the recent hearings. This speedy action will provide the Government and administration with sufficient time to follow up on accepted recommendations prior to the 1982 meeting of the Committee.

I would like to assure the Committee that the three status reports — specifically on Page 6, the Report of the previous recommendations that have not yet been fully implemented; on Page 8 the Report on the Department of Finance FMS projects; and on Page 9 the Report on the Department of Government Services FMS projects — will be provided by December 31, 1981, as has been requested by the Committee.

Mr. Speaker, with respect to the recommendations that have been summarized from Pages 27 to 29, I will deal with Recommendation Number 1. The Minister of Highways and Public Works will respond to Recommendations 2 to 11, and the Minister of Renewable Resources will respond to Recommendations 12 to 15.

With respect to Recommendation Number 1, Mr. Speaker,

Ministers have had full signing authority since mid-1980 for the funds appropriated to their departments. The Committee believes that the Ministers should be responsible for all delegations of financial signing authorities within the departments. At this time, Deputy Ministers have been given this delegation authority. The Government will once again review this procedure, and will respond to the Committee in the next Report.

Mr. Speaker, I would like to close my comments by thanking the Committee Members for their efforts in conducting the hearings, and their extensive Report to this House.

Mr. Falle: Mr. Speaker, I would like to speak to the report. I have been a Member on the Committee, on and off, replacing one Member or the other — now, I guess I am a permanent Member on the Committee. It has been a pleasure working on the Committee. One of the things that struck me most of all with working on the Committee: it lends a lot of credibility to the Government, and it makes, in my opinion, the civil servants and the expenditure of our money accountable to this Public Accounts Committee.

They have been cooperative. The ones that have not, we put on a hot seat. I really believe that one of the main outcomes of a public committee like this is that it lends more credibility to our Government system.

Hon. Mr. Lattin: Mr. Speaker, this being the first Report of the Public Accounts Committee for Highways and Public Works and also the first Report that I have had the honour to review as a Minister, I would like to make a few remarks and observations before I get down to recommendations.

Mr. Speaker, I had the honour to be on the first Public Accounts Committee and I found it to be a very satisfying experience indeed.

One of the most obvious and notable experiences I had was the complete enthusiasm and the dedication of the Members on the Public Accounts Committee. I see by this Report that this has followed through. There was no personal friction and no party politics. I cite two reasons for this: I think one of the reasons is in Yukon, because we are a small number, we have an affinity for one another that does not exist in other jurisdictions. Secondly, Mr. Speaker, party politics is new here, and I feel that, in a committee like that, people have the concerns of the Yukon before party politics, and I think this has been very effective in making this Committee as effective and as workable as we have witnessed in the two Reports.

Mr. Speaker, I think this Committee does two things. I would say it enlightens the Members on the Committee as to the workings of Government; and, from a department's standpoint, they realize that these people are looking at their departments in order to understand them, in order to see how they work, not so much to criticize them. I think the departments themselves, Mr. Speaker, have a tendency to pull up their socks and take a little better look at their own department, and by looking at their own department, they operate more efficiently. With these departments operating more efficiently and more accountable, both the Government as a whole and everybody in Yukon benefits.

Mr. Speaker, getting down to the particular recommendations that there were in my department, on Recommendation Number 2, I think there is a little bit of confusion there because a maintenance plan and programming for the Alaska Highway is done by the Yukon Department of Highways, and not Public Works. The department and I are not quite sure where this statement came from, but the department agrees that a data basis of information required for long-term planning should be built up, when the resources to carry out this work are available. This would allow long-term planning at a future date, when such planning would become cost-effective.

Mr. Speaker, also in connection with this, I would suggest that Number 3 would be applicable when this data bank is applied; we agree wholeheartedly.

I am going on to Recommendation Number 4. The department presently estimates its manpower requirements for highway maintenance only on a basis of overall activity re-

quirements for the entire highway system. Mr. Speaker, there seems to be some confusion in this thing; I think the Committee, at the time, had some problems. We view this statement as not specifically correct.

Resources of all types are established by camp. The resources, labour, equipment, and material vary from year to year and season to season, depending on the schedule activities of such road sections. This directs the need for a basic permit for it in each camp, supplemented by casual staff, mobile camps for specialized work.

Mr. Speaker, the recommendation regarding the road equipment: I think that in the Budget that we have just passed, there was a lot more information presented; in future we will be reviewing this, and I would hope that we will be able to give a little bit more information on this subject. I think that all the Members will agree that this year everybody in the House was able to recognize what we were doing with this particular account, because the facts were put in the Budget so everybody could see.

Continuing on, Mr. Speaker, I believe the Committee spent a lot of time on this recommendation, and the department feels that perhaps they were a little remiss in not getting across to the people the difference between maintenance classification and construction classification; we felt, in reviewing the Report, that this seemed to be. The only thing I can say about that, Mr. Speaker, is that I had a long talk with my Deputy and he said that he would be prepared to do one of two things: try to give them a written explanation so that they would get a better understanding, or, on an informal basis, he would be glad to see if he could not get the two classifications explained so that everybody understood what it was all about.

On the next recommendation on Page 17, detailed budget calculations for 1981-82 are based on individual estimates for each camp. Cost reports would be made on the same basis. We hope to be able to obtain a computer print-out which will give costs for each road in the system. The computer program has not been de-bugged as yet, so we cannot fully get the information that we desire, but we are hoping that it can be produced later on in the year.

On Recommendation Number 8: we will certainly consider this recommendation.

Recommendations 9 and 10: Mr. Speaker, as a department, we felt that these almost touch on the political policy rather than the department, and it is something that I think that, rather than the department looking at it, probably the Minister in charge should take them forward and address these two concerns.

Recommendation Number 10: with the present program and funding levels, the cost of maintaining in-house expertise in all engineering required to meet these recommendations would be prohibitive. This recommendation can be considered, and staffing increased in stages as justified in the future.

Mr. Speaker, I think also that was the particular one that we were talking about to review the Dawson water and sewer. When this is finished and we have a report on it, we will certainly be glad to table it for the Committee's consideration.

Mr. Speaker, all in all, on behalf of my department and my Deputies, I would like to thank the Committee for the frank and courteous way they treated us; we hope, in turn, that we have been able to give them some insight of how the department operates.

Thank you.

Mr. Veale: Mr. Speaker, if I could just comment on the Department of Highways and Public Works aspects of the recommendations: Recommendation Number 7 I consider to be very important, because that was one of the problems, I think, in the Budget estimates as presented last month. There was no breakdown on a highway to highway basis, and while the Minister provided me with details of some \$1,740,000 expenditure on the Dempster Highway for maintenance, it really does not help, unless you have comparisons to make to other remote highways which have the difficulties encountered on

the Dempster. So I think that recommendation is certainly a solid one.

Recommendations 9, 10 and 11: the Minister has indicated that they are not really matters for his department but rather are a question of policy to be dealt with, presumably, at the Cabinet level. I would urge very strongly that the Minister and Cabinet consider 9, 10 and 11 as a package, the three of them together, because it seems to me they all relate to the problems that have occurred, not just in Dawson City with sewer and water, but presumably it would apply to Watson Lake and Haines Junction as well. It seems to me it is an area that the Government could develop some expertise in, because there is probably going to be a great deal of that sort of capital construction taking place in the future.

The recommendation — just to deal with it, and I am sure the Minister of Renewable Resources will — for a solid wildlife data base, I consider that to be extremely important, and I am sure the Minister does as well, and will be moving towards that.

I am not sure if the Government Leader dealt with the Internal Audit Committee in his comments. There was a section of the report that indicated there had not been a meeting. Did you?

Some Member: No.

Mr. Veale: My feeling is that that Committee should somehow be upgraded and in complete agreement with the Committee Report, so that the audit functions could be examined more closely.

Thank you, Mr. Speaker.

Hon. Mr. Lang: I have a number of comments with respect to the Department of Renewable Resources and the recommendations made by the Committee. The first recommendation indicates that departments should undertake only those activities which clearly fall within its mandate, and state the goals accordingly. Perhaps it was not explained well enough, but the point that has to be made here for Members is that the department acts in an advisory capacity in conjunction with the Government of Canada — some aspects of Forestry, as well as land, water and to a certain extent, land use. For an example, we do have a direct role in enforcement in the area of fisheries, so there is an overlap there. It has to be understood that, as time goes on, that overlap will probably become greater, as we begin to negotiate, for example, the transfer of fisheries, which from our perspective is more important to come under our management, but during that transition period, we are going to have to work in conjunction with the Government of Canada, in those areas that are amenable to both Governments.

The other recommendation, with respect to defining its objectives and terms of activities for which funding is requested, to mete the performance against these objectives, is a difficult one for the department. They will attempt to meet the recommendation of the Committee, but there are a lot of things that happen especially in the area of wildlife management, which are to some degree intangible. It has to be understood that there are some problems meeting, in a totally pragmatic way, the request of the Committee, but we will go to some lengths to see how we can accommodate the recommendation.

I want to make some comments on the developing of a solid wildlife data base. We do have problems, but I think they are becoming a lot fewer than they were in the past. To give an example, six years ago there was only one biologist on staff with the Government of the Yukon Territory. Now we have 13 technicians and biologists on staff, along with the enforcement side of the department, in the Wildlife Branch, of about another 12 or 14 enforcement officers. So you can see we have gone a long way, as far as allocating money to the department to get the necessary staff to do the proper management of the all-important resource of wildlife.

Along with that I should point out that we are putting top priority to the collection of data. We are well ahead with the information that is so critical for sheep management. We are taking a priority in the area of the moose population which is, in

some areas — I should not use the word “threatened” — under some pressure by resident and non-resident hunters, and we are going to get a firm data base in both those particular areas that are under a lot of pressure, and those areas that would appear to be coming under pressure in the very near future.

We can accommodate the request of the Committee. I should point out that it has been a high priority of the Government's to bring forward a Budget with this department, and I think it has been indicated in the short term that we have been in office.

I should further point out with respect to management: as you know, we are reviewing the whole concept of the outfitting industry. I am confident that, over the course of this month, we can come up with a pretty acceptable policy. Along with that, management is a factor, and it is one that is being discussed very seriously with the outfitting industry, because it is to their benefit as well as ours that the game be managed in a manner that is not only thinking of tomorrow, but is also thinking of the long-term benefit of the Yukon Territory.

Also the recommendation that the department review its hunting licence fees and look at a reasonable return for the public purse on the authorization of hunting licences: this is definitely under consideration by the department. I should also alert Members, Mr. Speaker, that this is also a consideration in discussions with the outfitting industry on the review we are presently doing, so that we recover the necessary resources to help offset the cost that we have to bear for management of the wildlife resource.

So, over-all, Mr. Speaker, I think we can, in a large part, meet many of the objectives of the Committee. The first two are pretty philosophical, but we will try to clearly delineate the objectives as best we can; however, it must be understood that there are intangibles involved. It is quite difficult to get it all in black and white, as to just exactly what does take place in the area of game management.

Thank you, Mr. Speaker.

Mrs. McGuire: Mr. Speaker, I just want to make a recommendation on the Report that perhaps, in the future, the Public Accounts Report could be prepared and tabled in this House before the Government Budget is presented. If that could be arranged, it would certainly cut down on the time needed for reviewing the Budget. If Members had a chance to study the Report beforehand, it would eliminate duplication of questions and we could perhaps spend more time on policy questions in the Budget.

Mr. Penikett: Mr. Speaker, I want to first thank the Ministers and other Members for their responses. The Ministers' responses will, first of all, provide a very good starting point for the Committee next year. I appreciate them more than even their critical comments, which are probably well-taken.

The Member for Kluane has, I think, made an extremely useful suggestion. The only restraint in our being able to achieve it — because it is really up to the Committee to get its work done on time, in order to be able to do what she has asked — is the date of the hearings and the date of the Session. If those two fall too closely together, it seems to me it would be practically impossible — I say the “Committee”, but, let me be clear, Mr. Speaker, I mean “the Clerk” — to put the report together. One of the problems with its' being Budget time is that there is a great volume of paper being produced and prepared and going through the printing system here. Sometimes we can have delays in getting the thing manufactured. However, I think the suggestion would be an extremely useful one in improving the cyclical flow of information for Members. Even if we cannot have the report tabled and printed prior to our beginning the Budget debate, perhaps, subject to the approval of the Committee, we could at least undertake to have the report, in whatever form it may be at the time, available to Members in draft form. That may also assist Ministers as well in preparing their responses, so that we can guarantee that the report will be debated during the Session.

Thank you, Mr. Speaker.

Mr. Speaker: The Honourable Member having twice

spoken, debate is now closed.

Motion agreed to

Mr. Clerk: Item No.3, standing in the name of Mr. Graham.

Mr. Speaker: Is the Honourable Member prepared to deal with Item 3?

Mr. Graham: I am.

Motion Number 13

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse Porter Creek West, seconded by the Honourable Member for Whitehorse West, that the Seventh Report of the Standing Committee on Rules, Elections and Privileges be concurred in.

Mr. Graham: Mr. Speaker, at first glance, the Seventh Report of the Standing Committee on Rules, Elections and Privileges may seem to be a bit of a cop-out, in that the main recommendation was that the Government of the Yukon undertake to develop a pension plan for Members which would be submitted to the Assembly in legislative form; however, Mr. Speaker, let me assure you that that is not the case.

The Committee met and discussed the subject of a pension plan for Members at great length over a two-year period. I think we considered it at some ten meetings. During that time, we concluded that a pension plan for MLAs in this Legislature is a very desirable objective, because we feel that a person holding a seat here in the Legislature often sacrifices access to pension plans which are normally available to other Members of the public service and members of the public.

We felt especially that the long service to citizens of this Territory by MLAs should be recognized in the form of a pension plan.

We found it very difficult though, Mr. Speaker, to formulate specific proposals for a pension plan, because we found that there were so many options available to us that we simply did not have the expertise, nor the funds at our disposal to hire expertise, to come up with specific recommendations. We therefore felt that if we turned over all of the information and the resources that we have gathered over the past two year period, to the Government, and requested that the Government, with their expertise, come up with a legislative package, that would be much the preferable route.

Mr. Speaker, in conclusion, I will state the recommendations as they appear:

- that the Assembly support the concept of a pension plan for Members of the Yukon Legislative Assembly — the committee unanimously approved these recommendations I might add and

- that the Government of Yukon undertake to develop such a pension plan.

We feel, Mr. Speaker, that there is a certain amount of urgency to these recommendations, and we hope that the Government will bring in such a plan in the next year.

Mr. Penikett: I rise in support of the motion. As the seconder, I would explain, or share the explanation of the Member opposite who spoke, that we have gone round and round and round on this question a good number of times. At one time I believed that I was far too young to be considering the question of pensions. Having aged ten years in my two years in this place, I have somewhat changed my views.

I think we all agreed that there are certain persons in this community who are no longer Members of this House, but who served this place faithfully and well for a good number of years, and while serving this place had their earning potential considerably reduced and employment opportunities considerably diminished, and who, following their departure, by design or electoral accident, lived out their remaining years in less than comfortable circumstances.

The Member for Klondike will know of at least a couple of former Members, who have resided in that area.

I am persuaded that those persons who serve their community, in whatever capacity, especially if they serve it for a long term, should not be expected to retire to poverty just for having had the privilege of having their name in the paper a few times.

There can be, potentially, I think, very embarrassing consequences for the community. I recall one time that there was much of a scandal in Great Britain when a former Prime Minister found that he had to accept directorships with a number of fairly unsavoury companies, just in order to pay his own bills, which had been acquired in a life of politics. The fact was that this person's talents were not really in demand with these corporations, but what they really wanted was to be able to use his name on the letterhead; that was a most unfortunate circumstance.

I must tell you, even though it was for a worthy cause, how disturbed I was to have seen a former Governor General doing Coca-Cola ads.

The problem, it seems to me, is that people who have served the community for a long long time and who have given up very many other economic opportunities as a result of that, ought at the very least to be able to obtain the kind of pension that takes care of their basic needs. We talk a lot about the conflicts involved for a Cabinet Minister, and protecting Cabinet Members from any appearances of wrong-doing, but I think there is at least a potential problem in wanting to make sure, too, that you protect former Members from being employed in unacceptable fashions by virtue of their previous office.

Whenever we looked, Mr. Speaker, at the practicalities, the details, the particulars of pension plans, I think all Members of the Committee were daunted by the complexities, the costs, the details. I at least can speak for myself, that I did not feel able at any point to come to grips with the particulars, because we kept seeing things from our own individual point of view and did not have a big enough picture of the costs.

I think the financing of pension plans is an extremely complicated business. It is something on which I feel this House should get the best advice available to it. I would assume that there is some of that advice available in the Department of Finance, and, if it is not there, the Department of Finance has available to it that kind of advice. I would hope that the Government will be able to come up with a particular proposal that we will be able to debate — hopefully before the end of the life of this Legislature.

I think possibly that no Member of this House is going to be in the position to collect such a pension, because they are all going to be here, along with their peers, for years and years and years. I say that facetiously, Mr. Speaker, because I really do not think that has been the experience of this place. When I consider that there is only one Member of the House, yourself, sir, who has won more territorial elections in this place than me, it really gives me an insight into how short political careers can be here.

It is not short political careers we are considering, it is the long careers: the person who has served for a long time, who did not go into it planning that way, but who got involved and gave up a life's work for the community, and, unlike any public servant or anybody employed by a large private concern, has no pension to fall back on.

Thank you, Mr. Speaker.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

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

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse Porter Creek West, seconded by the Honourable Member for Mayo, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I call the Committee of the Whole to order. This afternoon, the Committee will be studying Bills Number 15, 18, 19 and 21.

I would like to call a short recess at this time.

Recess

Bill Number 15: Petty Trespass Ordinance

Mr. Chairman: I will now call the Committee of the Whole to order. On Bill Number 15, we have a witness here — Jim Almstrom. I would like to proceed with Clause 2; re-open the clause. As far as I understand, we have some amendments to the clause.

On Clause 2

Hon. Mr. Pearson: Mr. Chairman, it is my understanding that all Members have been provided with a series of one, two, three, four, five amendments to this bill. I would like to start out, Mr. Chairman, at Clause 2(1) by moving that Bill Number 15, entitled *Petty Trespass Ordinance* be amended in Clause 2(1) at page 1 by striking out the definition of "authorized person" and substituting therefor, " 'authorized person' means school administration, teaching and maintenance personnel".

Mr. Chairman: It has been moved by the Honourable Mr. Pearson that Bill Number 15, entitled *Petty Trespass Ordinance* be amended in Clause 2(1) on page 1 by striking out the definition of "authorized person" and substituting the following: " 'authorized person' means school administration, teaching and maintenance personnel".

Hon. Mr. Pearson: Mr. Chairman, I should point out to Committee that this series of amendments is designed to dramatically reduce the scope of this legislation. In fact, it will become evident during the discussion and the passing of the amendments, that it will be reduced to schools, vocational schools, universities, colleges, trade schools, or premises used for other educational purposes. That will be the only place where this legislation will be applicable.

Mr. Chairman, we had a considerable amount of discussion yesterday, and, as I indicated, I thought it was very constructive and of great interest to this Government. As a result of that discussion, we have reconsidered our position with respect to this bill, and are suggesting now that we should attempt to get a piece of legislation in place that will in fact address the immediate concerns of everyone, with respect to our schools and school populations.

Mr. Chairman, we have some other concerns; they have been enunciated with respect to shops, shop keepers, restaurants and so on and so forth, but we do run into some major problems in expanding the legislation. It is not quite as straightforward and as easy as we would like it to be. We put this legislation together with a tremendous amount of cooperation from the police authorities, and I would be loathe to expand it without considerably more discussion with them.

I would like to say, Mr. Chairman, that we, as a Government, will seriously consider exactly what we can do during the forthcoming months, to afford some sort of protection that has been indicated as being desirable to people who own other property.

Mr. Fleming: I am prepared to support it in this sense, but I wished before to have everything included or, more or less, nothing; but if it is a provision just for our schools that is needed, then I would be quite prepared to support it.

I am wondering, though: in Committee, we passed sections yesterday, 2(1) and so forth, and does it not take anything to rescind that, before we go ahead and carry on with an amendment like this? Would it not take unanimous consent to do that? I think maybe it should.

Mr. Chairman: Yes, I believe it takes unanimous consent.

In order to re-open the clauses that have been discussed before, the Committee's rule is to seek unanimous consent from the House. Do we have unanimous consent to re-open Clause 2?

Some Members: Agreed.

Mr. Veale: My only comment, Mr. Chairman, is that I think it is a wise move on the Government's part to restrict the legislation to a school trespass ordinance.

That is certainly the initial inspiration for the legislation and it is badly required, and I understand it to be an undertaking of

the Government Leader to propose further legislation in the next Session for other premises; that I look forward to as well.

Amendment agreed to

Mr. Chairman: I understand that, under Clause 2, the Member has another amendment on that same clause. Do you have further comment, sir?

Hon. Mr. Pearson: Mr. Chairman, I move that Bill Number 15, entitled *Petty Trespass Ordinance*, be amended at Clause 2(1) at Page 1, by striking out the definition of "trespass" and substituting the following:

"Trespass includes entering, or remaining without lawful authority, on premises referred to in subsection (3)(1)."

Mr. Chairman: It has been moved by the Honourable Mr. Pearson that Bill Number 15, entitled *Petty Trespass Ordinance* be amended in Clause 2(1) at page 1, by striking out the definition of "trespass" and substituting the following:

"Trespass includes entering, or remaining without lawful authority, on premises referred to in subsection 3(1)".

Amendment agreed to

Clause 2 agreed to

Hon. Mr. Pearson: Mr. Chairman, I move that Bill Number 15, entitled *Petty Trespass Ordinance*, be amended at Clause 3(1) at Page 1 by striking out paragraph (a) and by striking out the reference "(b)".

Mr. Chairman: It has been moved by the Honourable Mr. Pearson that Bill Number 15, entitled *Petty Trespass Ordinance*, be amended in Clause 3(1) at Page 1 by striking out paragraph (a) and by striking the reference "(b)".

Any discussion on the amendment?

Mr. Penikett: I am going to ask a question which I am going to have trouble restricting to this clause, Mr. Chairman, but I am trying to look ahead a little bit to the changes being proposed here, including the change in the title.

It is not clear to me what is to be the fate of the sections dealing with the pickup trucks and so forth. Well, it is a serious question, Mr. Chairman, because it seems to me we are dealing properly with a question of the schools, but some of the sections about the parked motor vehicles and so forth were really designed, not for the school situation, as I understand, but an entirely separate situation.

Hon. Mr. Pearson: Mr. Chairman, the Motor Vehicles parking section is designed specifically for the schools.

Mr. Penikett: I am glad to hear that, Mr. Chairman. I understood differently when we were talking about the airport and apartments and so forth.

Hon. Mr. Pearson: Mr. Chairman, we were not talking about the airport parking, it was the Honourable Member who was talking about the airport parking.

Mr. Penikett: Mr. Chairman, I agree I was talking about it, but everybody seemed to be listening, and that is why I thought we were talking about the same thing.

Amendment agreed to

Clause 3 agreed to

Mr. Chairman: Pursuant to Standing Orders, I would like to have unanimous consent to re-open Clause 1. Do we have unanimous consent?

Members: Agreed.

On Clause 1

Hon. Mr. Pearson: Mr. Chairman, I move that Bill Number 15, entitled *Petty Trespass Ordinance*, be amended in Clause 1(1) at Page 1 by striking out the word "Petty" and substituting for it the word "School".

Mr. Chairman: It has been moved by the Honourable Mr. Pearson that Bill Number 15, entitled *Petty Trespass Ordinance*, be amended in Clause 1(1) on Page 1 by striking out the word "Petty" and substituting for it the word "School".

Amendment agreed to

Clause 1 agreed to

Hon. Mr. Pearson: Mr. Chairman, I move that the title to Bill Number 15, entitled *Petty Trespass Ordinance* be amended to read *School Trespass Ordinance*.

Mr. Chairman: It has been moved by the Honourable Mr.

Pearson that the title to Bill Number 15, entitled *Petty Trespass Ordinance* be amended to read *School Trespass Ordinance*.

Mr. Penikett: I had previously indicated my intention of moving an amendment to the title, which I think would have precedence over the Government Leader's amendment, however, I would accept that this is a better amendment, and would therefore withdraw it and support this motion.

Amendment agreed to

Hon. Mr. Pearson: Mr. Chairman, I move that you report Bill Number 15, with amendment, including an amendment to the title.

Mr. Chairman: It has been moved by Mr. Pearson that the Chairman do now report Bill Number 15, *Petty Trespass Ordinance*, out of Committee with amendment, including amendment to the title of the bill.

Motion agreed to

Bill Number 18: An Ordinance to Amend the Pioneer Utility Grant Ordinance

Mr. Chairman: I refer Committee to Bill Number 18, at this time, *An Ordinance to Amend the Pioneer Utility Grant Ordinance*.

Hon. Mr. Pearson: Mr. Chairman, before we get into the general debate on Bill Number 18, I wonder if you wish to excuse the witness, with our thanks?

Mr. Chairman: I would like to excuse our witness at this time.

On Clause 1

Hon. Mrs. McCall: The *Pioneer Utility Grant Ordinance*: it is a small amendment, required to increase the amount granted and to correct an ambiguity in the ordinance.

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

Mr. Fleming: I was reading and I thought we had more to go.

Mr. Chairman: Would you like to go back to Clause 3, sir?

Mr. Fleming: I did have a question, yes.

Mr. Chairman: Does the Honourable Member have unanimous consent?

Some Members: Agreed.

On Clause 3

Mr. Fleming: Thank you, Mr. Chairman.

I am just a little confused as to the wording on Clause 3(1). It is quite long; however it is the last part that confused me. "...notwithstanding that the applicant has not attained the age of 65 years or is the surviving spouse of a person who dies before January 1, 1981."

If I could get clarification of this, because something in my mind tells me that if it was after January 1, 1981, if it was 1982, that it would probably be a problem. I think the Minister is all ready to give me the clarification.

Hon. Mrs. McCall: Yes, Mr. Chairman, the Honourable Member brought that to my attention, and I now know what it refers to. Clause 10(1) grandfathers three people who thought they qualified, and had been paid under the ambiguity that existed before. There were just three people altogether; I believe it is three. So this grandfathers those three people and they would be under 65.

Mr. Fleming: I appreciate the answer and yet I am still a little doubtful as to the wording. Somebody who passed away in 1982 or 1983, for instance, — then would that other person who is probably 62 or 63 years old, be eligible for that in continuance? This is what worries me a little. It is probably just my misunderstanding, but it seems to be the way it is worded, that possibly if one of them passed away after January 1, 1981, the other one would not be eligible.

Hon. Mrs. McCall: Mr. Chairman, I know it refers to the grandfathering of the people who thought that they could apply for the grant, and did because of the ambiguity. These are

people who perhaps have applied for it over a period of two or three years — I do not know how long — and now they are between 60 and 65, so I think it is really to cover not taking it away from them at this point, since they had already received it due to the ambiguity.

Clause 3 agreed to

Mr. Chairman: Shall the title of the bill carry?

Members: Agreed.

Mr. Chairman: I declare the title of the bill carried.

Hon. Mrs. McCall: Mr. Chairman, I move that you report Bill Number 18 without amendment.

Mr. Chairman: It has been moved by the Honourable Mrs. McCall that the Chairman do now report Bill Number 18, *An Ordinance to Amend the Pioneer Utility Grant Ordinance* without amendment.

Motion agreed to

Bill Number 19: Municipal Finance Ordinance

Mr. Chairman: I refer Committee to Bill Number 19, the *Municipal Finance Ordinance*. I understand the Honourable Member has a witness, and the Chairman does have a certificate from the Member regarding the matter.

Hon. Mr. Lattin: Thank you, Mr. Chairman; that is correct, I have asked for a witness, Mr. Rob McWilliam of our department. He will be here presently.

While I am on my feet, I had a couple of questions a couple of days ago in Committee of the Whole. I now have answers for those questions, and would ask the Pages to pass them out to the Members, please.

Mr. Chairman: Referring Committee to Bill Number 19, Clause 1(1) on Page 1. First we will have general debate on the bill.

On Clause 1

Hon. Mr. Lattin: Mr. Chairman, I can only reiterate what I said yesterday at second reading, so I think I will just wait for questions and try to answer them. I will have my witness here to answer some questions for Members.

Mr. Veale: Mr. Chairman, generally speaking, I think it should be stated that the supplying of the White Paper on the Municipal Finance Program and the detailed financial calculations in the schedule were of great use in determining what the impact of the ordinance would be, because some of the clauses are extremely convoluted and difficult to follow without having the figures actually prepared for you. I would hope that the next amendment to the *Lands Ordinance* would provide the same information.

Hon. Mr. Pearson: Mr. Chairman, I must rise now to the occasion. I noticed in an article in one of the local newspapers that I was accused by the press — not by this Committee, and I appreciate that — of just sitting here stubbornly withholding information from the Committee, and refusing to table these regulations. I want to say once again, Mr. Chairman, very very emphatically that those regulations, no matter what the Honourable Members on the other side might like to think, are not finished. They are not ready for tabling, and that is the only reason that we have not tabled them, or given that information to the Honourable Members. We just do not have it to give to them as yet.

Mr. Chairman: Before we resume on the general debate of Clause 1, I would like to ask unanimous consent of Committee to have the witness appear. Do I have unanimous consent?

Some Members: Agreed.

Mr. Chairman: I would like to welcome Mr. McWilliam as witness for Bill Number 19.

Mr. Byblow: I just want to confirm with the Minister the revenue base for the ordinance. He indicated yesterday in his second reading address, and I believe it is indicated in the White Paper, that in addition to the existing per capita grant money that is available, there will be an additional \$750,000 injected into the pot, as it were, and that all of this is going to take effect next April 1. Is what I have said correct?

Hon. Mr. Lattin: Yes, Mr. Chairman, what you have said is

correct. Next year, 1982, is when it will take effect. This year we are still working under the old ordinance.

As you are aware, part of the new *Municipal Ordinance* will take effect next fall; that particular part will be the process of running elections in the various places. The new *Municipal Ordinance* will take effect in April, 1982.

Mr. Byblow: Still related to the funding: will the total amount of money set into place in this pot, include the monies that will be required under Part 2, Special Programs, over and above the basic operating and supplementary dwelling money?

Mr. McWilliam: As the White Paper indicates, those additional conditional funds, which will be provided for piped water and sewer services, were calculated as part of that original pot of money.

Mr. Byblow: What happens in the event that there is not enough money in the total pot to provide for the special financing: the basic financing in the event of the formula, when applied, does not have enough money to pay out. Does that then create supplementary financing, to be voted through this Legislature?

Mr. McWilliam: If I understand the question correctly, I would say that "yes", if there was a necessity for additional conditional funding, it would be the Legislature that would be presented with it. What we have looked at is how much money is necessary to establish this program originally. Our calculations are based on that.

Hon. Mr. Pearson: I might be able to help clarify that, and then again I might muddy the water a little bit with an answer, but I will try. When we get into this thing a little way, Mr. Chairman, it will become obvious that we have evolved a formula for either increasing or decreasing the size of this pot each year, depending upon what is happening in the Territory generally. In fact the size of this pot will be tied directly to the finances of YTG.

The thing that we must be most concerned with is whether in fact we have got the right number for the first year. That is the arbitrary number from our point of view — that we have the right amount of money in that pot that first year. That amount of money is fair and it is equitable for the communities, based on what has transpired in the past. The municipalities and the communities have been locked into a scheme that has not seen any increase for so many years, that we felt that we actually had to look at determining an amount of money that would raise that total pot to what we thought would be a fair and equitable level, so that the municipalities can finance themselves properly, and also so that we, as a Government, are assisting them in their own aspirations. We very much want to do that. That is where the \$750,000 came from. We said, "Look we will take whatever amount of money we have this year, we will add to that \$750,000, and that will be the start of the pot."

Then, as is indicated in the White Paper, we will tie the size of that pot to what is happening in this Government. Another Government may well change that particular policy. That is something that is subject to change.

Mr. Veale: Mr. Chairman, I wonder if the Minister or the witness might just reiterate how the \$750,000 was actually arrived at? The White Paper says "additional funds for inflation". Was there, in fact, a calculation based on the per capita grants and taking inflation into consideration, or was it just out-of-the-hat, so to speak?

Hon. Mr. Lattin: No, Mr. Chairman, the basic philosophy of adding this money was to take into account the inflation that has occurred over the last, say, six or seven years. Now, there are various ways that you could do that. After considering all of them, we used the implicit price index scale as a base and came to a ball park figure, and that ball park figure was adjusted to the figure of three-quarters of a million dollars.

Basically, we utilized that formula to put us in the ball park, and then we rounded it off to that particular amount.

Mr. Veale: Just to follow it up, could the Minister elaborate on the implicit price index scale and what that is?

Mr. McWilliam: The implicit price index for residential construction, which is what we are using for our calculations, is an index which Statistics Canada provides on a yearly basis. They have been doing it since 1971, so we had it over a comparable period with the municipal aid grants from 1972.

The actual formula for how it is arrived at is extremely detailed. It takes into consideration a variety of factors, such as costs of construction, et cetera.

Mr. Veale: So, I take it then that the initial \$42 per capital grant, whatever it was, was just built up. In other words, the 1972 level of the per capita grant is being accepted as a valid expenditure, or at least an expenditure that was meeting municipal needs in 1972.

Mr. McWilliam: As the White Paper indicates, we really do not know on what basis the \$46 and \$40 formula was used in 1972. As the Minister has just previously indicated, we attempted to provide for a factor of inflation and population increase, and then Cabinet made the decision as to how much additional money was necessary to bring this up to a realistic figure.

Mr. Penikett: Mr. Chairman, I was very interested in Mr. McWilliam's reference to the Statistics Canada figures. I have some information which would indicate what Statistics Canada recently reported, on a Canada-wide survey of provincial grants to local governments in 1978-79. I noted in that report that every provincial government except Canada — well the two provinces giving the lowest level of grants to municipalities were, I think, Newfoundland and British Columbia. In the past, we have based a fair amount of legislation on the British Columbia model. But since you have indicated some acquaintance with Statistics Canada data in this area, I wonder, Mr. Chairman, if the witness would be prepared to indicate where we would rank as compared with the provinces now, in terms of the global figures.

Mr. McWilliam: I would have difficulty doing that off the top of my head, Mr. Chairman, but the figures that are produced for the provinces are given in millions of dollars. Those would have to be reduced back to some sort of per capita basis, so we would know exactly what the ranking was.

Mr. Penikett: Thank you. I know Mr. McWilliam could not give me a precise answer, but he sounds like he is acquainted with the figures, and I just wondered whether he has any idea where we would rank.

Mr. McWilliam: I know the figures that Mr. Penikett is referring to, but off the top of my head I would only be hazarding a guess, and I do not think it would be something that I would want to stake my reputation on.

Mr. Penikett: Perhaps the Minister would be willing to stake his, Mr. Chairman.

What I am interested in is whether we would now be near the top of the ten, or have we started off from a very low position? I do not need the exact numbers, but I just wondered whether the Minister would know. I will tell you why I am asking the Minister: when I saw this press release, I wrote to Statistics Canada, but they are much slower in answering their mail than Members opposite.

Hon. Mr. Lattin: No, Mr. Chairman, I do not know. If we can get the information — and I am not saying we can get it — but if we can, I will certainly bring it back to the Member, either privately or in the House, if we are still in Session.

Mr. Fleming: Mr. Chairman, I am just wondering about this. This is just an example, I presume, of how the standard expenditure per class could be calculated? I am assuming this is only an example. I assume it is not correct that in Teslin there are 109 dwellings. I am wondering if the 97 per dwelling is also an example or is that the proper figure?

Mr. McWilliam: What we were attempting to do with the White Paper was to demonstrate how the calculations could be arrived at using this legislation. The figures that are in the White Paper are subject to some final review and some dealing with the community, when we are preparing the actual regulations. The specific ones that you ask about in terms of dwelling units: those are what a manual count of the assessment re-

cords for those communities showed as dwelling units, as defined by this legislation.

The dollars that are in there for standard expenditures are based on what we could extract from their 1979 audits.

Mr. Fleming: I presume from what you say that, if this thing was doled out at \$40 per person or something, you would try to balance it off now by using the dwelling as one and making the money, say three times as much as it was before, if you have three people in each dwelling. Is that the way you are planning to bring it out?

Mr. McWilliam: The whole concept of this legislation is to get away from using population, and to tie it to something we feel can be reflected on a more current basis, and also which gets to the essential *raison d'être* of municipalities; that is to provide services to property. That is one of the main reasons for dwelling units.

Clause 1 agreed to

On Clause 2

Mr. Byblow: In the matter of dwelling units, I would be interested in hearing from the Minister what the consideration is with regard to the type of unit that exists on a temporary basis. I recognize that that probably does not qualify under the normal assessment definition of a dwelling unit, but I am referring to the type of facilities that exist around the Territory in the form of temporary-type bunkhouses - temporary meaning over several years, that kind of temporary. They are units which would fit the qualification of (a) and (c) but then we have (b) which can exclude certain groupings of dwelling units. I guess what I am generally asking is: where do bunkhouses fit in; where do temporary quarters fit in?

Then thirdly, what do you intend to exclude, by regulation, in terms of dwelling units?

Hon. Mr. Lattin: You will notice — I believe it was in the White Paper — that we said that we would consider certain construction camps, and that they could be moved in.

Mr. Chairman, I think what we are talking about is dwellings that require municipal services. So if a particular bunkhouse requires these services, we would consider them as a dwelling for that reason, because, again, the philosophy is that is why we are getting away from the people to the dwelling units, because it is actually the services to the dwelling unit that the municipality has to provide. If they have to provide for an influx in some area of, say, two or three large bunkhouses that require a lot more services, then that is one of the things that we recognize in this Ordinance.

Mr. Byblow: I wonder if the Minister could then elaborate on what he means by providing services to those types of units? It may very well be possible that, in the event of a construction camp located within the town or within the municipality, it may not be hooked up to sewer and water, but it certainly takes advantage of all the other municipal services afforded in that municipality.

I am not too clear just where the line is going to be drawn on that type of structure.

Mr. McWilliam: I think that Mr. Byblow's concern indicates the need for having a provision such as this, which allows us to provide for a regulation from time to time. As the Minister indicated, what we are primarily concerned about, and where we have provided for construction camps in the case of a community such as Faro, in Section 11 of the Ordinance, are primarily those camps which have a significant impact on the services the municipality provides. Where you have a self-contained camp, that is the sort of thing which would have to be looked at and dealt with specifically by regulation.

Mr. Veale: Could the Minister or the witness, Mr. Chairman, give some indication of an exclusion by the regulations, and what they would anticipate excluding from the dwelling unit definition?

Mr. McWilliam: I am sorry, Mr. Chairman, I did not catch all of the question.

Mr. Veale: In the definition of dwelling unit, you can exclude by regulation?

Mr. McWilliam: That is correct, Mr. Chairman. What we have indicated there is that where you have cases such as self-contained construction camps, or, perhaps, a managerial suite or something in a hotel, which would otherwise, with this definition, be considered a dwelling unit — those may be excluded.

Mr. Byblow: At some point earlier, the Minister I believe, or perhaps it was the witness, said that the criterion or the basis for the number of dwelling units in any location was the assessment figures. I just need a clarification on what those figures actually are; where are they compiled, and by whom?

Hon. Mr. Lattin: Every year in any municipality there is an assessment roll prepared. And from that particular assessment roll which is done every year those figures are readily available. Mr. Chairman, that is one of the other reasons why we are going to this type, rather than a census of people which takes place every five years.

Mr. Byblow: Okay, that is exactly what I was asking him. So it is the assessment roll of the municipality that is updated each year. Now in the event of new construction which has not been included in the assessment roll of that year, will that be just on the good graces of the municipality's informing the Government that there is a correction to be made to the number of dwelling units, et cetera? How updated, I guess is my question, is the number of dwelling units going to be?

Hon. Mr. Lattin: I would say this would be every year. The assessment roll is put out every year, and that would be the time that you would review it and see how many dwelling units you have.

I mean to say that I realize that there might be some come out at other times, but you have to have some kind of a system, and the system that we improvised at this particular time is that we have it every year, which is when the assessment roll would come out.

Mr. Byblow: The figures that will be used are taken from the assessment roll figures that are compiled and are effective as of December 31, but may not take into account construction during that year, which is still going to be using municipal services in the subsequent year for which the funding is going to be applied.

Hon. Mr. Lattin: Mr. Chairman, I do not know which ones are going to use it or not; maybe the witness could elaborate on it a little bit for us.

Mr. McWilliam: Yes, that is the intent behind Section 11, so that where you do have buildings that are coming on in the midst of the year, when it does have a major impact on that municipality, there is a provision there for them to obtain a portion of the funding.

Clause 2 agreed to

Mr. Chairman: It is after 4:30 now. The Chair would like to call a short recess.

Recess

Mr. Chairman: I call the Committee of the Whole back to order at this time.

On Clause 3

Mr. Byblow: Mr. Chairman, did you say that we are dealing with the entire Clause 3?

Mr. Chairman: That is true.

Clause 3 agreed to

On Clause 4

Mr. Fleming: I think I could probably have asked this question before, too, in the other section; however, this now takes in the community clubs and situations like that. Just what is the criterion there? Is there any change in that at all, where they gave the grant in lieu of taxes before?

Mr. McWilliam: This only deals with grants in lieu on territorial properties. This is not related to community clubs or federal properties, which are handled separately.

Mr. Veale: Perhaps the Minister or the witness, Mr. Chairman, could advise why the word "may" is used in the last line? It would seem to me that the word "shall" would be more appropriate.

Mr. McWilliam: That relates directly back to Section 3, where it says that the Commissioner may pay a grant in lieu. It is just being consistent.

Clause 4 agreed to

On Clause 5

Mr. Fleming: Probably this would cover that. What I was asking was: has there been any change in that system, of a grant in lieu of taxes to a municipality or whoever is in charge of the clubs?

Mr. McWilliam: No, Mr. Chairman, this does not change the situation relating to community club property.

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

On Clause 7

Mr. Penikett: Mr. Chairman, I have a couple of general questions I want to ask here. If the Minister wants to defer answering them until we get to Clause 8 and to other sections later on, I would respect that but because the clauses are linked, I want to start to ask the question now.

It says, in Clause 7:

"The Commissioner may pay, to each municipality, in each year, a municipal operating grant in an amount calculated pursuant to Sections 8 to 11."

Now, the calculation pursuant to Sections 8 to 11 I would assume refers to the standard tax rate which is going to be established. As I understand the standard tax rate, that would be the tax rate which the Commissioner establishes, which is sort of bench mark. If you make expenditures less than that, if you keep your tax rate lower than that, vis-a-vis the level of expenditures, you will not get certain kinds of grants; if you go over that thing for certain purposes, you will get the grants.

But, it seems to me, that the formula — because it is a standard rate throughout the Territory and it is probable that there are going to be marginally higher unit costs for any kind of service in a smaller community — that the standard rate is always going to be higher than the tax rate in Whitehorse, which would mean — and perhaps the Minister could correct me if I am wrong — that, because of that, there are certain kinds of grants that Whitehorse would not be benefiting from, because its rate would always be below that standard rate.

Mr. McWilliam: Yes, Mr. Chairman, there are a number of questions there, and I will attempt to answer them.

The first one, dealing with the standard tax rate that is set; that is the standard tax rate that is set for the calculation of this grant only. It does not relate to the tax rate which that municipality may decide to set for its total operation. It is strictly for the purposes of calculating this grant.

In terms of how it relates to individual municipalities, that is the reason why, in section 8, we have broken the Municipal Operating Grant into two components. There is the initial one, which is the basic operating grant, which attempts to equalize communities: to recognize that there are the small communities where they have these higher costs, due to the limited number of people that they still have to provide the same service to.

And then subsection 3, which provides that once the equalization has been applied, there is additional funding available on a dwelling unit basis, so that the larger municipalities then get their share that way.

Mr. Graham: Well, I am kind of curious as to how the standard tax rate is going to be set.

Mr. McWilliam: The standard tax rate would be set as it indicates in here, by Cabinet. It is something that would be prescribed on a yearly basis. The suggestion that the White Paper works with, and to demonstrate how these calculations can be worked out, was using .70 as a tax rate. That tax rate would ensure that all the communities are receiving at least as much funding under the new program as they do currently.

Mr. Graham: Then it bears no relation to the present territorial tax rate that has been established.

Mr. McWilliam: It is not directly related, Mr. Chairman.

Mr. Penikett: Mr. Chairman, I understand the equalization principle, and I understand the second part, the dwelling, in its principle as enumerated by the witness, and equalization in these things is a desirable goal. But in any equalization there is some give and there is some take. Am I to understand that the principle giver under this arrangement would of necessity have to be Whitehorse?

Mr. McWilliam: I would suggest that because of the amount which the initial fund is set at, that there is no community which could be looked upon as being the giver. The fund has been set large enough so that there is sufficient funding there for all the communities to benefit substantially.

In terms of how it would relate, certainly there are communities such as Whitehorse and Faro, in terms of basic operating grants, that would get considerably less than other communities, such as Dawson or any of the current LID's. But the basic fund is set at a level where no community is suffering for the others.

Mr. Penikett: I understand that and I understand that I perhaps am not asking easy questions to the Minister for the witness.

It becomes a policy point, which one might at another time argue with the Minister about, where the money comes from in the first place, anyway. It is obviously going to come from the same pockets and, to that extent, I am sure the citizens of Whitehorse would always be as generous as they need to be.

What I am interested in —

Some Member: *Unintelligible*

Mr. Chairman: Proceed, Mr. Penikett.

Mr. Penikett: Mr. Chairman, I hope I am not making a provocative point. I am only stating what I think is fair.

What I am concerned about is: we know the initial funding, the start-up funding does deal with the problem, provides, if you like, the impetus to initiate the equalization. However, if you imbed in law an equalization principle, you do have, on a long term basis, some need to have a giver and taker in an equalization formula. I just want to get some idea about how far that is thought ahead and is that the underlying assumption behind this particular part of the program, that, in fact, for this purpose in the long run, that Whitehorse is obviously going to be below the benchmark and other communities, for very understandable reasons, are going to continue to be above it.

Mr. McWilliam: I would suggest that in terms of the long term approach, we attempted to ensure with the indexing provisions that the formula would never get to the point where some community is suffering to provide funding to others.

Also, what is attempted here is to allow those communities which can afford to pay, through their higher assessments, — that was a recognized principle which the Association of Yukon Communities has already supported — that certain communities such as Whitehorse and Faro, with substantially higher assessments, are picking up a large portion of their own costs.

Mr. Graham: Mr. Chairman, I am just kind of curious if we have given ourselves, within this ordinance, the ability at some time to vary that standard tax rate, say, between various communities within the Yukon Territory? For instance, at some point in time, could the community of Carmacks be given a standard tax rate of .8 and the community of Whitehorse .5?

Mr. McWilliam: The legislation requires that the Commissioner prescribe the standard tax rate. It does not specifically indicate that you would do it on a class basis or universally. The intention that we were working with was to try to apply it universally as part of the principle of those who can afford to pay, contribute.

Mr. Penikett: If I could, I would like to follow up very briefly on the question originally asked by Mr. Graham about the formula. I have read the White Paper, and I think I understand the method by which you will come up with some of the numbers, but for the record I wonder if the Minister would be prepared to indicate if the calculation referred to in 7(1) is going to be the one in the White Paper; if, in fact, that or some similar formula is the calculation you would expect the Com-

missioner to use from here on in on a regular basis, in establishing the standard tax rate.

Mr. McWilliam: If I understand the question correctly, the answer would be no. What we would be doing is working with all of the communities, in the preparation of the detailed regulations. We certainly do not look at the dollars that are in here as being a cut and dried matter. In terms of the direction that we would go in, that has been established by legislation: we would be providing operating grants, separate from conditional service grants, and our operating grants would be divided into two components — the basic operating grant to equalize, and then the grant based on a dwelling unit basis.

Mr. Penikett: I appreciate what the witness is telling us. However, he is indicating a process which he will understand is not entirely detailed in the legislation. Perhaps it does not need to be, but could I just get from him, for the record, an understanding, given what we have been told in the White Paper and given what he has just said about consultation about the regulations, as to the kind of steps that will be followed in forming or making this calculation?

Mr. McWilliam: In terms of the steps that I would foresee from the department's point of view, the first thing is that, with our Minister's blessing, we would sit down with the Association of Yukon Communities and work out the detailed regulations. As part of the process of bringing in the new municipal legislation and the proposed *Municipal Finance Ordinance*, we intend to go around to every community during May and June, hold detailed community discussions on the implications of that legislation for them, and get some feedback. That way we will be in a position to prepare the regulations in time for April of 1982.

Mr. Byblow: Just referring back to the standard tax rate, I recognize that it is only a percentage used from which to establish a base. But I am wondering, from the witness, if part of the reasoning behind that figure is not the argument that that is the basic tax rate that a community ought to be able to pay?

Mr. McWilliam: Yes, Mr. Chairman. To a certain extent, what we are indicating is that that is the tax rate which a municipality would have to have, in order to provide those municipal services. If they can provide them for less, or if they want to provide additional services, it is the municipality that sets its tax rate.

Mr. Byblow: And quite similarly, in 8(1), the equalization process is brought further to bear by the application of dwelling units. In the municipality which is a larger one, they have a greater advantage by the number of dwelling units, because the unit cost is brought down. So, in terms of the equalizing factor, while it may be disadvantageous on the application of the standard tax rate, it is advantageous to the large municipality because of the dwelling unit application.

Mr. McWilliam: I am not really sure if there was a question there or not. But if you look at the calculations that were done in the White Paper, dealing with how standard expenditures per class could be calculated, it becomes quite obvious that in the larger communities they are definitely reaping a benefit from the economies of scale.

Mr. Penikett: That brings me to my own exact question, now that Mr. McWilliam has referred to economies of scale. It seems to me, and is it not correct, that the formula being talked about here and the standard tax rate is in some sense based on the assumption that the unit costs for certain kinds of services are the same throughout the Territory?

Mr. McWilliam: Yes, Mr. Chairman, there certainly is an assumption that there are costs related to the provision of municipal services which a municipality cannot avoid. For example, you need a fire truck, irrespective of whether your population is 300 or 3,000, so those basic costs are there.

Mr. Penikett: Well let me just diverge for a moment, Mr. Chairman, because I think, as I understood Mr. Byblow's question, it was to do with other kinds of services. Could the witness tell us, based on the experience of the Department, whether the unit cost of providing some of the harder municipal services

does in fact vary greatly from community to community, and whether experience suggests that the unit costs are much lower in Whitehorse?

Mr. McWilliam: Yes, Mr. Chairman, certainly from our studies it would be borne out that the larger communities, such as Whitehorse, have very attractive operating costs because of the larger numbers. I would point out that a number of the "harder" services that you refer to are those items that are also dealt with as municipal services.

Clause 7 agreed to

On Clause 8

Mr. Veale: Mr. Chairman, just a question for the witness: would he explain the purpose of Clause 8 in terms of why it appears to put a cap on municipal funding? I am not clear on why it should be there or what the purpose of it is.

Mr. Chairman: Excuse me. You must refer your comments to the Minister responsible.

Mr. Veale: Thank you, Mr. Chairman. They are referred to the Minister. He always refers them to the witness. And secondly, Mr. Minister, I would like to have him run through the example in the White Paper as to how that applies in a particular community.

Mr. McWilliam: Thank you, Mr. Chairman. I believe that the "cap" that Mr. Veale is referring to is the limit which would be imposed automatically under subsection (1), where, if a municipality has sufficient tax revenue to offset its operating costs, that they would not be eligible for the basic operating grant. That, I think, is reflected in the White Paper, where, if you note, using the standard tax rate, Whitehorse can achieve a tax revenue in excess of its total standard expenditures. I think one comparison that is very dramatic is between Dawson and Faro. Dawson, with 407 dwellings; Faro having approximately 100 more; Dawson's standard expenditure is roughly \$100,000 less than Faro's, and yet, having an assessment base which is approximately half of Faro's. When those factors are taken into consideration, the basic operating grant reflects that, and the City of Dawson would receive a considerably higher operating grant than the Town of Faro.

Clause 8 agreed to

On Clause 9

Mr. Byblow: I do not understand section 2.

Hon. Mr. Lattin: I am sorry, I did not catch which section you do not understand, Mr. Byblow.

Mr. Chairman: We are on Clause 9, there is no section 2 in there.

Mr. Byblow: My question pertained to Clause 8(2).

Mr. Chairman: The clause has already been carried. We are now considering Clause 9.

Mr. Byblow: Unanimous consent?

Mr. Chairman: Does the Member have unanimous consent to re-open Clause 8?

Some Members: Agreed.

On Clause 8

Mr. Byblow: I am simply seeking an explanation of the taxable reference to a grant in lieu.

Mr. McWilliam: That provision is there so that those Government properties which are non-taxable are included in the calculation of the assessment base. Essentially what we are doing is recognizing that the municipality provide services to the senior Government institutions as well and therefore should receive some compensation back for them.

Mr. Byblow: So it simply means that properties falling under the category of grant in lieu are applied in the assessment for calculation.

Hon. Mr. Lattin: That is correct, Mr. Chairman.

Clause 8 agreed to

On Clause 9

Clause 9 agreed to

On Clause 10

Mr. Veale: Mr. Chairman, it appears to me that there is a typo in subsection (2). Surely the tax rate that it is referring to is in 1(c) not 1(b).

Hon. Mr. Lattin: That would appear to me to be correct, Mr. Chairman.

Mr. Chairman: Unanimous consent that that is a typo?

Members: Agreed.

Clause 10 agreed to

On Clause 11

Clause 11 agreed to

On Clause 12

Mr. Veale: Mr. Chairman, I would just like to ask the Minister why it is the lesser of the rate of increase to total revenues or expenditures? What is the reason for it being the lesser of those two?

Hon. Mr. Pearson: Mr. Chairman, I wonder if I might attempt to answer this? This, of course, Mr. Chairman, is the section that I was referring to in my earlier remarks. This sets the tone as to how this fund might grow or shrink.

Mr. Chairman, we, on this side, felt that we should try to tie it to something in respect to what happens in this Government; however, Mr. Chairman, if we tie it to revenue only, then the Cabinet can, to a large degree, determine what the revenue of this Territory is going to be in any given year and may well decide to deficit finance, to deficit budget, like we did last year.

If we put together a budget with a \$3 million or \$4 million deficit in it, we would not have to raise as much revenue in the Territory. As a consequence, in spite of our expenditures going up, we would not raise the revenue and therefore the municipalities would suffer.

Conversely, if we do not tie it somehow to expenditures, as the inflation goes up, because our expenditures have a direct relationship to inflation generally, then we would not have that factor built in.

We felt, Mr. Chairman, that it was not fair to the municipalities to say to them that because this Government might chose, for any reason, political or whatever, to deficit finance or surplus budget for a year, municipalities should not be required to follow along.

What, in fact, is the safest and surest indicator of what is happening in the Territory, Mr. Chairman, is tying to the lesser of either our expenditures or our revenue and then it does not matter, whichever one is involved at that point, it is the true figure.

Mr. Veale: Perhaps I do not understand it, Mr. Chairman. It would seem to me that if it is tied to the lesser, the Government may have quite a rate of increase in revenue, but may decide not to increase expenditures. The result then is that the municipalities have to accept the rate of increase in expenditures, which may be nothing at all. It seems to me to be exactly the opposite of what the Government Leader was saying.

Hon. Mr. Pearson: Mr. Chairman, you must remember now, we are dealing with the difference: with the change. The change from one year to the next is the proposed change to this fund from one year to the next.

Mr. Chairman, there is absolutely no way that this Government can arbitrarily decide. We can decide to hold expenditures down as much as we possibly can. If we are doing that, then every municipality in the Territory should do it as well; that is what we are saying.

There is an uncontrollable factor that we must recognize: expenditures in government do increase every year, no matter how much we would like to hold them down. It is uncontrollable, and that uncontrollable factor is the one that we want to make sure is recognized in the municipalities. That is a number that has not been recognized in the past. There has never been any change to the municipal grants. It was locked into those firm figures before.

Mr. Veale: Mr. Chairman, I appreciate the statement of the Government Leader, because it does make clear that municipalities are not automatically going to benefit from an increase in revenue in this Territory; it is not an automatic thing at all. In fact, if the Government wishes to hold the line on expenditures, all the municipalities are going to hold the line. My concern would be that if that were to result, we could end up

back at square one, in that municipalities may, for one reason or another, have a tremendous increase in their operating costs, services of sewer or garbage or whatever, that the Government does not have. Consequently, the Government may wish to hold the line, where municipalities are all in exactly the opposite frame of mind.

Hon. Mr. Pearson: Mr. Chairman, if you will, the Honourable Member has brought up a specific point, and I know that the witness can answer that specific point. I know that that factor is built in, and if you will allow the witness to answer that point I think it will clear something up for us.

Mr. McWilliam: I believe, speaking from the point of view of having some knowledge about municipal administration, that what this concept does by tying it to the two, the expenditures and revenues, will result in some evening out of what would otherwise be substantial peaks, and corresponding drops, in the level of funding they would get. It will certainly allow them to have considerably more assurance as to what would be the increase in the level of funding they would receive yearly. The point being made about territorial expenditures is that they reflect the general Yukon economy, and I would suggest that if there is a realistic opportunity to hold the line there, then the municipalities can probably do the same.

There are also a number of factors which are not included in this Municipal Operating Grant Program which have been identified. The specific items that Mr. Veale identified, such as increases in sewer costs or garbage costs — for example, if there was a substantial increase in those, we would be looking at conditional deficit funding. As to garbage costs, municipalities have opportunities there to take a look at other sources of funding, such as user-pay.

So, I think it is important to recognize that what this principle does is provide a method whereby the fund is indexed, and it increases at a relatively stable rate: not very radically, as would be the case with either revenue or expenditure alone.

Mr. Byblow: In the application of a changed status in funding of the basic available money in the pot, that would be applied to the formula to determine the dwelling unit cost in the supplementary grant per dwelling financing, is that correct?

Mr. McWilliam: Yes, that is correct. The fund is indexed so that, for future years, the amount of the fund will be increased, and that will be reflected in the municipal operating grants.

Mr. Veale: Mr. Chairman, I would just ask the Minister why the word "may" is used again in this circumstance, and why would it not be appropriate to put in the word "shall" so that municipalities are assured that it is going to occur each year?

Hon. Mr. Pearson: Mr. Chairman, if the word "shall" was used, this would be a money bill. This legislation, Mr. Chairman, allows the Government to enter into these kinds of agreements: It is the mechanism. The "shall" part, Mr. Chairman, comes about when we vote the money in the House.

Clause 12 agreed to

On Clause 13

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

Mr. Graham: Mr. Chairman, I move that you report progress on Bill Number 19 and beg leave to sit again.

Mr. Chairman: It has been moved by the Honourable Mr. Graham that Mr. Chairman do now report progress on Bill Number 19 and beg leave to sit again.

Motion agreed to

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

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

Motion agreed to

Mr. Chairman: I would like to thank and dismiss the witness at this time.

Mr. Speaker resumes the Chair

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

May we have a report of the Chairman of Committees?

Mr. Njeotli: Yes, Mr. Speaker. The Committee of the Whole has considered the following bill and directed me to report the same with amendment, including an amendment to the title, which now reads, Bill Number 15, *School Trespass Ordinance*.

Further, the Committee has considered the following bill and directed me to report the same without amendment: Bill Number 18, *An Ordinance to Amend the Pioneer Utility Grant Ordinance*.

Further, the Committee considered the following bill and directed me to report progress on same and beg leave to sit again: Bill Number 19, *Municipal Finance Ordinance*.

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

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

May I have your further pleasure?

Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Mayo, that we do now adjourn.

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse Porter Creek West, seconded by the Honourable Member for Mayo, that we do now adjourn.

Motion agreed to

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

The House adjourned at 5:25 p.m.

The following Sessional Papers were tabled Tuesday, April 14, 1981:

81-4-19

White Paper: Pharmacare for Senior Citizens

81-4-20

Eighth Report of the Standing Committee on Rules, Elections and Privileges

