

Yukon Legislative Assembly
Whitehorse, Yukon
Wednesday, December 9, 2009 — 1:00 p.m.

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

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

Introduction of visitors.

Returns or documents for tabling.

Are there any reports of committees?

Petitions.

PETITIONS

Petition No. 11 — response

Hon. Mr. Lang: I rise today to respond to Petition No. 11, presented by the Member for Whitehorse Centre on November 30, 2009.

This petition asks the Legislative Assembly to support legislation that will enable the development of a credit union in Yukon. Mr. Speaker, I appreciate that credit unions serve a need in Canada, but I also recognize that the regulation of financial institutions is a very complex area, and we must tread carefully. When considering this matter — because we're dealing with citizens and their desired financial services and resources — later on this afternoon when we get into debate on the Third Party's motion, I will go into considerable detail on both the challenges and opportunities that such an initiative would present. I do agree that enabling credit unions to operate in Yukon is a worthwhile proposal, and I look forward to debating the motion on this very interesting idea to expand banking and credit options in Yukon later this afternoon.

Speaker: Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motion?

NOTICES OF MOTION

Mr. Inverarity: I rise today to give notice of the following motion:

THAT it is the opinion of this House that the Yukon needs a legislative library to:

(a) serve the information needs of members and staff of the Legislative Assembly; and

(b) collect, preserve and make accessible the publications of the Legislative Assembly to members, media and the public;

AND THAT this House urges the Government of Yukon to bring forward a legislative library act.

Mr. Hardy: I give notice of the following motion:

That this House urges the Government of Canada to act on the federal NDP resolution to begin to work with provinces and

territories to ensure the sustainability of Canadians' retirement incomes by bringing forward for review by the federal-provincial-territorial research working group, at the earliest opportunity, measures such as:

(1) expanding and increasing the CPP, OAS and GIS to ensure all Canadians can count on a dignified retirement;

(2) establishing a self-financing pension insurance program to ensure the viability of workplace-sponsored plans in tough economic times;

(3) ensuring that workers' pension funds go to the front of the line of creditors in the event of bankruptcy proceedings;

(4) in the interest of appropriate management of the CPP, that the Government of Canada immediately protect the CPP from imprudent investment practices by ceasing the practice of awarding managers performance-based bonuses; and

(5) taking all necessary steps to recover those bonuses for 2009, ensuring managers in the future are paid appropriate industry-competitive salaries.

Speaker: Thank you.

Are there any further notices of motion?

Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Yukon Housing Corporation financial accountability

Mr. Mitchell: We asked the minister responsible for Yukon Housing Corporation some questions last spring about running out of money in one of their mortgage programs. This was the minister's response: "The home ownership and construction financing mortgage program is also extremely popular, so much so that the demand for the loans has already exceeded the budget." In spite of the fact that Yukoners were quite upset about the program running out of money, the minister was quite pleased about it. The Auditor General has refused to sign off on Yukon Housing Corporation's finances. The deadline is long past, and this is a serious issue. How much money was oversubscribed and overspent in the home ownership and construction financing mortgage programs?

Hon. Mr. Kenyon: It was never a question of running out of money; it was a question of reaching the limit of the vote authority of this House, so there was no overspending. We answered a number of questions yesterday for the member opposite, in terms of the financial statements, and rather than repeat them in the House, perhaps he should go back and read the Blues.

Mr. Mitchell: We've read the Blues, and we still have questions. It's a serious issue. The Auditor General approves the books when the government's finances are in order. Clearly, the government's finances are not in order. If they were, the Auditor General would sign off on them.

The Auditor General won't accept the Housing Corporation's financial statements and the Auditor General does not do this without a good reason. Yukoners deserve to know what's going on here. It shouldn't take a team of accountants and auditors almost nine months to restate the Housing Corporation's

accounts. The government is refusing to disclose why the Auditor General won't sign off on its financial statements. So what is it? What's wrong with the Housing Corporation's finances?

Hon. Mr. Kenyon: Mr. Speaker, as the member opposite is aware, the Auditor General was not able to issue the opinion due to a delay of Yukon Housing Corporation for a wide variety of reasons. But the Office of the Auditor General has indicated that there are no issues with the consolidated financial statements of the government except for the portion that relates directly to the Yukon Housing Corporation for which the Auditor General requires time to finalize its audit. All those documents have been turned in. They are with the Auditor General and we are simply waiting for them to do their good work.

Mr. Mitchell: I don't think we're getting all the facts in this matter. If the Auditor General of Canada was happy with Yukon's public accounts, this government would have received an unqualified audit by now. If the Auditor General had only minor concerns about the way the government was accounting for its expenditures, that could have been disclosed in the form of a qualified audit. But this government has received no audit letter at all. The Auditor General of Canada has withheld her approval of the Yukon's public accounts and the reason for this can be found in the Yukon Housing Corporation.

Yukoners deserve to know the facts. Again, for the minister responsible for the Yukon Housing Corporation, what is so wrong with the Housing Corporation's finances that they are not acceptable to the Auditor General of Canada?

Hon. Mr. Kenyon: Again, all the documents are in; they are complete and they have been submitted to the Auditor General of Canada who has made the choice not to sign off on the consolidated statements until the audit of all the departments is in.

For the member opposite, I believe it was the previous Liberal government that created a shared services unit which, at the time, probably seemed a good idea, but it really did not prove to be very beneficial. We have disbanded that shared services unit and a stand-alone department was created during this process. The financial unit of the Housing Corporation is being rebuilt; the Department of Finance has provided expertise to complete financial statements and at this point, we are simply waiting for the Auditor General to do her good work.

All documents are in her hands and have been for some weeks.

Question re: Long-term care facilities

Mr. Mitchell: I have a question for the Minister of Health and Social Services about the cost of new health care facilities. In 2005, the Yukon Party government announced a plan to build a new health care facility for \$5.2 million in Watson Lake.

Five years later, the plans have changed and the government is now building a hospital instead. Along the way, due to this government's bungling, costs have risen substantially. In July it was announced the new price tag would be approximately \$17 million. When you add in the \$5 million already spent, you get to some \$22 million.

When the announcement was made in July, Yukoners were told the number was preliminary and that design plans were not finalized. It is now December. Does the minister have a firm cost estimate or an update at least on this new facility?

Hon. Mr. Hart: For the member opposite, the Yukon Hospital Corporation has put out a design tender for that facility in Watson Lake as well as the one in Dawson City. They are following through with that process and once that information is complete, they will have in their possession some sort of exact costing — seed cost — for both those facilities.

Mr. Mitchell: Well, the Yukon Hospital Corporation hasn't been appearing in this House. We presume the minister is not completely out of the loop so he should have some information he can present. Mr. Speaker, this government has the Auditor General of Canada quite busy with cost overruns and this project appears to be no exception.

Let's turn to the Thomson Centre. In 2006, the Yukon Party promised to reopen this facility with 44 long-term beds. Three years later, they're getting ready to make good on this commitment by a former Health minister. The minister's new plan is to open 20 beds only and he said we can't afford to upgrade the entire facility. If the government hadn't blown the budget in Watson Lake there would be enough money to do this project. Cost overruns by this government mean Yukoners will be getting only half of what they need and were promised.

Does the Health minister have an estimate for the new project at the Thomson Centre? How much will it cost?

Hon. Mr. Hart: For the member opposite, Yukoners are getting all of their needs met. That is why these facilities are being built in Dawson City and in Watson Lake. I think it has been demonstrated — just the value of the Watson Lake hospital alone in its present form — what it has provided us. I think that has demonstrated very much to this House and to Yukoners, the value of the facility there and also the value of the facility Dawson City will provide.

Yes, we are in the process of dealing with the Thomson Centre. As I mentioned yesterday on this question, we are working with the Yukon Hospital Corporation and we intend to get an RFP out on the facility by December 18, or thereabouts, within a day or two. Once we have completed that process and once we start opening up the envelope, we'll be able to provide some specifics on what the actual costs will be.

Mr. Mitchell: We're not debating whether or not there should be health care facilities in these communities; we're debating how the money has been spent, or in some cases misspent. Now, the government has dragged its heels on this project and the result will be higher costs. Instead of moving ahead as promised in 2006, it is just now getting started and Yukoners will end up paying more as a result. Over the last 18 months the government has been busy moving the cost of these new facilities off the books to the Yukon Hospital Corporation. The new facilities in Watson Lake and Dawson and the new residence across the river are all being done that way. The result is that these large expenditures don't show up right now on the government's books. It improves the bottom line for the government, but it also hides the true cost of these projects from taxpayers.

What are the government's plans for the Thomson Centre? Will it be managed by the government or will it be moved off to the Hospital Corporation as well? Will it be paid for up front or is the plan to incur interest charges as is being done with the other new facilities?

Hon. Mr. Fentie: You know, Mr. Speaker, the Leader of the Official Opposition has just stated on the floor of this House that the arrangement between the Hospital Corporation and public government provides a means to have expenditures off the books. The member has made an incorrect statement, like many of the other statements he has just related to the House through Question Period.

Does the member not recognize what consolidated statements are? Does the member not recognize public accounts and what they are? To suggest to this House and to Yukoners that these matters are off the books requires a correction before the House and before the public.

Some Hon. Member: (Inaudible)

Speaker's statement

Speaker: I presume that when a member asks a question, he wants to hear the answer. So if members would be kind enough to respect that — Leader of the Third Party, you have the floor please.

Question re: Peel watershed land use plan

Mr. Hardy: The Peel Watershed Planning Commission report is a very conservative and cautious plan that preserves our future options for this unique, sensitive and roadless ecosystem. Earlier in the planning process, both the commission and the First Nations with overlapping traditional territories in the region asked for a moratorium on mineral staking in the planning area and the government failed to act. As a result, the number of mining claims skyrocketed.

At the same time, a frenzied staking rush has been followed by almost no activity in the last season in the Peel. There have been no mines, no proposals for mines and now a complete lack of activity. Why did the government ignore this recommendation?

Hon. Mr. Lang: We certainly follow the *Quartz Mining Act* and part of that is free entry.

We work with the mining community but, in saying that, the government, now that it has the commission's hard work on the final plan or the draft plan, are going to do their good work internally and then work with the affected First Nation governments — which we have an obligation to do — and certainly work with the communities. This is one step in a process.

I would like to thank the commission for the hard work they did, because they did an extensive overview of that land use plan. We're looking forward to the next steps and those next steps are an internal audit on our own between the departments and also the obligation we have through the UFA to go to work with our partners — the affected First Nations — and certainly go out to the communities that will be affected.

Mr. Hardy: The commission says 80.6 percent of the planning areas should be protected under special management areas. It also says the existing mineral claims should not be extinguished and continued aerial access to them should be

allowed. It says, and I quote: "We can always decide to develop in the future, but once this decision is made, we cannot return to a pristine ecosystem and landscape — not in our lifetimes and not in the lifetimes of our great grandchildren."

I see young Mackenzie in the gallery with his mother. Our decisions will affect his future and his ability to enjoy this pristine wilderness. The commission urges going slow and waiting for changes to techniques, knowledge, technology and attitudes before we allow any more industrial activities that negatively affect the area's wilderness values. Does this government agree with this sensible approach or not?

Hon. Mr. Lang: Again, we thank the commission for their hard work. This is a draft plan that was put in front of the government 10 days ago — a week ago. Through the *Umbrella Final Agreement* we have other steps to take, and those are that we have to do an internal audit between the departments, then we have to go out in the new year and work with the affected self-governing First Nations. Also, we have overlapping issues with the Tetlit Gwich'in, which has a part to play in this, and we also have to discuss and have dialogue with the affected communities.

We're going to let the process unfold the way the *Umbrella Final Agreement* designed it, and we would certainly appreciate any recommendations that come forward.

Mr. Hardy: Sometimes inactivity creates a bigger mess than what you had in the original state. The commission is very clear about saying this plan is not a template for other regions in the territory. It does not say the government should expropriate the existing claims or compensate their owners. This is a good and fair compromise for balancing divergent values and interests and reducing conflicts. Thousands of Yukoners have said that they want to see the wildlife, waterways, and landscapes in this region protected.

My final question is this: will this government respect their wishes and immediately take steps to limit options for mineral explorations while the parties develop the final plan?

Hon. Mr. Lang: To be clear, this is a process, and the only way we got the north Yukon plan out and signed off was through following that process. It is laid out in the *Umbrella Final Agreement* on how we as governments have to deal with land use plans. We're doing that. Again, I'll thank the commission for their hard work. Any recommendations they put forward, I appreciate those recommendations, but there are other steps as the final plan is resolved. It involves working with our partners, the other affected First Nation governments, working with the communities. Also, a very important part is digested inside the government itself — interdepartmental responsibilities. We'll do our work and in the new year we'll move forward and hopefully have a land use plan that we can sign off in the future.

Question re: Takhini elk herd

Mr. Cathers: In 1990, the then Department of Renewable Resources estimated the size of the Takhini elk herd as 30 to 35 animals and recommended a target population of 100, noting growth beyond that level would negatively impact other wildlife and farmers.

Yesterday one of my constituents reported 150 elk in a single field. A regulation change does allow them to try to scare the elk, but that only works for a short time. Efforts to deal with the winter tick trained the elk to eat hay and increased the population. This problem was created by government action and inaction. My constituents are facing a financial impact as a result.

Will the Minister of Environment agree to direct officials to develop a special permit that allows landowners to protect their property from elk damage?

Hon. Ms. Taylor: I guess I'll begin my remarks by just stating that the Department of Environment has been working with a multitude of stakeholders to develop the elk management plan that was formally adopted in 2008, which also calls for an elk harvest strategy. We have been working with a multitude of stakeholders on that strategy in accordance with the objectives and the goals of overall management. It has been implemented; it is being implemented, with up to 50 permits being identified to help reduce the elk herd. That will certainly help reduce elk-vehicle collisions, as well as elk-agriculture conflicts. It'll help increase the appreciation, value of elk, as wild food, and it will also further reduce the risk of winter tick transfer to other wildlife species.

Mr. Speaker, we are very much taking these concerns into consideration, and we are working with all stakeholders to address this situation.

Mr. Cathers: Mr. Speaker, I realize the challenge the minister and her department face. The wild elk were imported by government some years ago. The 1990 plan by the then Department of Renewable Resources was left on the shelf and the herd size grew to more than triple what biologists said it should be. Biologists warned growth beyond the target herd size of 100 would negatively impact other wildlife and farmers. Clearly they were right. My constituents are bearing the financial cost. Farms are feeding the wild elk and their fences are being destroyed. Quite simply the problem is this: the government is not protecting my constituents and will not allow them to defend themselves. A special permit that allows landowners to protect property from elk damage would be a big step in the right direction.

Will the government agree to review the strategy and to move forward with developing this permit?

Hon. Ms. Taylor: Mr. Speaker, we are moving ahead with adaptive management when it comes to elk. Likewise, we are moving ahead with adaptive management of the other herds pertaining to bison in the territory. We are moving ahead with stakeholders on the development, on the implementation of the elk harvest strategy, which reflects the goals and objectives of the overall management plan that was adopted back in 2008.

Mr. Speaker, we are doing our utmost. We have implemented a regulation as of a year ago that enables the department to authorize harassment of problem elk in special circumstances. Alternatively, directed in-season hunting by a number of permit holders may also be an option where landowners support this. We're also working in collaboration with the Energy, Mines and Resources agriculture branch, which has a compensation policy in place that may also apply where land-

owners have taken precautions and are sustaining damage by respective elk and, I might add, moose, deer and bison.

We will continue to work with all the stakeholders; we will be evaluating the elk harvest in January and we will again be evaluating the overall management tools at the end of the year.

Mr. Cathers: I appreciate the challenges that all involved face and, again, must reiterate the fact that my constituents are bearing the financial cost as this problem goes on.

If life or physical safety are threatened by a moose, the *Wildlife Act* allows you to shoot the animal once all other practical means for averting the threat of harm have been exhausted. Killing a moose in self-defence is allowed, but section 86(2) of the *Wildlife Act* prohibits a person killing a wild elk, even as a last resort in self-defence.

Is a threat to life and limb posed by an elk somehow less dangerous than a threat to life and limb posed by a moose? Why do you give up the right of self-defence when it's an elk? Does the minister actually see a difference between a threat to life and limb caused by an elk and one caused by a moose, or will she agree to trigger the consultation process to seek the repeal of section 86(2) of the *Wildlife Act*?

Hon. Ms. Taylor: As I mentioned, we're committed to adaptive management of the elk herds in question — the Takhini and Braeburn herds that the member opposite refers to. We are very much committed to the implementation of the harvest strategy, as well as the elk management plan. We're certainly committed to convening a meeting of the respective stakeholders at the end of the harvest season, which winds up at the end of March. We're also going to be looking at the issues surrounding elk management overall at the end of the year, in collaboration with the elk technical team and the elk management team.

Again, we have made some efforts with respect to these concerns that have been broached by landowners by implementing a regulation that was passed a year ago. We're also working with the Department of Energy, Mines and Resources, through the agriculture branch, which has a crop-fencing damage compensation policy in place that may apply where landowners have taken precautions to guard their respective properties.

We are very committed to responding to complaints where elk have caused damage and where issues pertain to public safety concerns. The Department of Environment is available at any time.

Question re: Aboriginal languages

Mr. Elias: I have a question for the Premier. Aboriginal languages are obviously a shared responsibility in our territory. The first day of this sitting I introduced a motion for the establishment of an independent commission on aboriginal language protection. The purpose of this commission would be to conduct a forensic-like examination of our territory's aboriginal languages and to have a review of our *Languages Act* and recommend to this House the best ways to preserve, promote and protect our eight aboriginal languages. Now I get a sense that some members of the Yukon Party caucus don't support this motion.

Can the Premier tell us if he and his caucus will be supporting the aboriginal languages motion today?

Hon. Mr. Fentie: I would caution the Member for Vuntut Gwitchin not to jump to conclusions or be too presumptuous on the proceedings of this institution. The democratic process unfolds here as it should and, frankly, due process requires that we debate the member's motion as tabled. This debate could have taken place some time ago but the member and his colleagues chose another priority as far as the Official Opposition deemed to be a priority in the public interest.

The facts of the matter are that Yukon First Nations have gone a long way to deal with the issue of preservation of aboriginal language in the territory, specifically in the area of negotiating their agreements. They have ensured that self-governing First Nations in this territory can assume this responsibility to enhance and ensure that their involvement and protection of aboriginal language here in Yukon is going to be something they can lead and be very much involved in. Of course, this government supports that, as I am sure the federal government supports that, and in today's Yukon some self-governing First Nations have actually assumed this responsibility and worked bilaterally with Canada today.

Mr. Elias: The Yukon Party has been aware of this motion for weeks and I did ask to meet with the Premier on this concept twice and he refused to do so, and that is why I am concerned.

The Yukon *Languages Act* states in section 1(3): "The Yukon recognizes the significance of aboriginal languages in the Yukon and wishes to take appropriate measures to preserve, develop, and enhance those languages in the Yukon."

It is not clear to me what "appropriate measures" actually means, and it appears nobody is responsible for defining it. The act does not, however, provide an accountability framework like a language commissioner or annual reports to be submitted to this Legislative Assembly or a mechanism to create a partnership between the Yukon government, self-governing First Nations, the federal government and Yukon citizens to achieve its goals.

Again, does the Yukon Party government support Motion No. 848?

Hon. Mr. Fentie: Mr. Speaker, the Member for Vuntut Gwitchin has referred to a provision in Yukon's *Languages Act*. I can tell the member and assure the member the government is very aware of the provision in the *Languages Act*. That's why, in today's Yukon, significant investment is being made in First Nation language programs. That is why 20 First Nation language programs are offered right now in 18 Yukon schools. Other programs are offered for seven of the eight Yukon First Nation language groups. A budget is available for First Nation education support and curriculum, classroom support and cultural awareness. There are 30 Yukon First Nation language teachers in the education system.

Mr. Speaker, we have a Yukon Native Language Centre that is very much involved in this area. Recently, Mr. Speaker, the government and First Nation governments have jointly concluded that significant investment from the northern strategy trust be approved — it has been approved and sanctioned by

the Yukon Forum — for further investment in revitalizing culture through story and technology and to revitalize and perpetuate Yukon First Nation languages.

Yes, we're well aware of the provision; we're well aware of the act; we're well aware of the challenge. Yukon is doing its part.

Mr. Elias: I thank the Premier for those comments, because I will be elaborating on those site-specific issues later on this afternoon. However, the fact still remains that every single one of our aboriginal languages in this territory are in danger of extinction within the first or second generation from now. That's a fact.

Protecting our territory's languages and our values should transcend party lines. I'm hopeful that the Yukon Party government and the New Democratic caucus will stand up today in support of aboriginal language protection, because so often the debate gets bogged down to who is doing what, who is providing what dollars, and who has responsibility for doing what and in which ministry, government or organization. Can we count on the support of this government? And will the Premier budget substantial dollars for the establishment of a non-partisan commission on Yukon aboriginal language protection?

Hon. Mr. Fentie: I am trying to relay to the Member for Vuntut Gwitchin all that the government does do, but I also want to stress to the member that this institution, this House — no political party should diminish the significance of what First Nations have accomplished in Yukon in negotiating their treaties. First Nation governments have clearly recognized the critical aspects of protection of Yukon aboriginal languages, and that is why they have ensured that, in those negotiations, the agreements that have been agreed to by Canada, First Nations and Yukon include the ability for First Nations to occupy this authority, to occupy and take down assumption of responsibility of a matter so important to them. Not only do we provide a tremendous amount of programming and investment and assistance in dealing with the preservation of aboriginal languages, we also fully support Yukon First Nation self-governments and their ability to occupy this responsibility to further enhance the protection of Yukon aboriginal languages.

Question re: YEC/YDC witnesses before Committee of the Whole

Mr. Mitchell: Last summer half the Yukon Energy Corporation/Yukon Development Corporation board stepped down. They resigned because they couldn't support the Premier's plans to privatize Yukon energy. Yukoners aren't in favour of mortgaging our energy future either. They weren't impressed with the Premier's secret negotiations to sell out Yukon Energy. Even though they have made their feelings clear, they haven't gotten any real answers. Yukoners have listened to enough of the Premier's justifications. It is time for them to hear from the board of the Energy and Development corporations. They regularly appear before this House each fall. This has not happened this year. When will the Yukon Development Corporation and Yukon Energy Corporation board chair and president appear before this House?

Hon. Mr. Fentie: Well, once again, Mr. Speaker, the Leader of the Official Opposition has made reference to priva-

tization. That is, indeed, incorrect. Even his own information, as tabled here in this House, corroborates that. The member has made reference to selling of assets. Once again the member is incorrect and even his own information — albeit the Official Opposition calls it “evidence” — his own information corroborates that. Furthermore, the member conveniently ignores the fact that, instead of selling assets and privatizing, the government is actually investing heavily in building up our public utility’s assets in partnership, in this case, with Canada. Well in excess of \$100 million plus is being invested in assets. So, Mr. Speaker, the member is wrong on all counts.

The member knows full well that I had a discussion with him and the Leader of the Third Party in regard to the appearance of witnesses in this House from corporation, and the member knows full well that I told him at that time we’d allow the chair and the new board members and the board to meet — which was happening yesterday and today — for them to determine what they feel in terms of appearing before the House. Can they be prepared to justify and do justice to their appearance? The member knows that.

Mr. Mitchell: The former board members made it very clear what was being negotiated by the Premier regarding Yukon Energy Corporation. Those four members of the Yukon Energy Corporation Board had good reason to resign last summer. They weren’t willing to stand by while the Premier sold out Yukon’s public utility and they said so. Those board positions have now been filled and that reconstituted board has met. We can be sure that the Premier’s privatization negotiations and the public outcry was a topic of conversation at that meeting.

Yukoners have been waiting too long for answers about how they almost lost public ownership of Yukon Energy. The Yukon Energy Corporation Board appears before this House when the government calls on it to do so. The Premier did promise last week to talk to the board about appearing after they had their first board meeting on December 8. Has the Premier made the call to the board and when will the chair and president be appearing before this House?

Hon. Mr. Fentie: Once again, the member has made a statement alluding to some sort of negotiation that was taking place. The member knows full well from all the information the member has tabled before this House and others who have presented information to the Leader of the Official Opposition that indeed negotiations were not taking place.

The member takes great pleasure in referring to the former board chair, so on and so forth, the same individual who a few short months ago — those very members, the Official Opposition — wanted this member’s head and they accused him of something like double-dipping. Here’s the pattern, Mr. Speaker: the Official Opposition tends to come up with these wild schemes they think or somehow come up with the conclusion are happening in today’s Yukon, and it’s so inconsistent with what’s really going on.

As far as the witnesses appearing before the House, the board is actually meeting as we speak. I’ll await the board chair to determine by way of informing me, the minister responsible,

whether this is an appropriate time for them to appear, Mr. Speaker.

Mr. Mitchell: It’s just the Premier’s opinion that he wasn’t engaged in negotiations. It certainly is the opinion of others that he was, including the former board members who resigned and the former minister who sits behind us at this moment.

Mr. Speaker, it is customary for the YEC/YDC board chair and president to appear in this House every fall. Yukon Energy is a corporation that must be accountable to Yukoners. Yukoners have never before been so interested in what’s going on with their public utility but, instead of getting answers, they’re still waiting to hear from the board.

The sitting of the Legislature is almost over and the government still hasn’t called on the board to appear. It looks like the government doesn’t want the board to appear. It’s probably because the Premier doesn’t want Yukoners to hear about his plans toward privatizing Yukon Energy. We only have a few days left. What day will the president and the board chair be appearing before this Assembly?

Hon. Mr. Fentie: First, with a little levity, let me say that, yes, we only have a few days left in this sitting, luckily for the Official Opposition. Secondly, the member has mentioned accountability — yes, accountability for the public utility and a Crown corporation. If the member cared to look at our Yukon energy strategy, the member would see that the government is very focused on accountability of its public utility and Crown corporation. That is why the governance issues are being dealt with; that’s why restructuring is underway.

Those are exactly the kinds of discussions the new board chair and the board are having, as we speak, among many other things, including the instrument of expectation that it will be provided to this House, including our investment in major infrastructure for renewable energy, including building Yukon’s energy future, maintaining a public utility in the best interest of the Yukon public, and focusing on the main objective — providing affordable, reliable, efficient energy to Yukoners. It’s all about accountability. Certainly, the government recognizes that. How about the Official Opposition in correcting their statements?

Speaker: The time for Question Period has now elapsed. We will proceed to Orders of the Day.

ORDERS OF THE DAY

OPPOSITION PRIVATE MEMBERS’ BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 932

Clerk: Motion No. 932, standing in the name of Mr. Hardy.

Speaker: It is moved by the Leader of the Third Party THAT this House urges the Yukon government to introduce legislation in the Legislative Assembly by November 30, 2010, enabling the establishment of credit unions in the territory.

Mr. Hardy: Mr. Speaker, if it's all right with you, I'll stay seated while I do this. Thank you.

Credit unions — I think most people in this territory, or most people in this Chamber — we'll start with that — are familiar with credit unions and the role credit unions have played in the development of Canada, specifically in farming communities, which is the background that I'm more familiar with.

Throughout Canada, credit unions are allowed to operate. Yukon is the only jurisdiction in Canada where credit unions not only don't exist but are not actually allowed to operate. This goes back to a historical event and a period in which there was a credit union in the Yukon. I am going to touch on the historical event and put it into context of what we're talking about today.

The first credit union that was formed in the Yukon was in 1957. At that time, arrangements were made to bring in an organizer from the credit union league of British Columbia and an organizational meeting was held on June 26, 1957. At this meeting the Whitehorse Credit Union Limited officially came into existence with an elected board of directors: Celia McEachern, Jack Worsell, Earle Waddington, C. J. Lelievre, and Jack McDonald. From this board, C. J. Lelievre was elected the president, Celia McEachern vice-president and secretary, and Earle Waddington the treasurer.

The first six months of the credit union's existence was largely an organizational period with very few loans issued. Let's put in context how big the population was at this time as well. It was a very small population in the Whitehorse area where this credit union meeting happened and started to become established. The population, I would guess, was probably around 5,000 people — maybe 4,000 or 5,000; some people might remember — but it was a small population. Interestingly enough, there was a very strong interest to have a credit union at that time.

By December 31, 1957, the credit union's membership had risen to about 150 people and the membership growth continued slowly but steadily over the years. For the first 18 months, the Whitehorse Credit Union operated out of the home of Earle Waddington at 410 Hawkins Street. It's pretty hard to imagine a credit union or a bank operating out of a home, but back then this was the way things happened — very much grassroots.

In 1958 or early 1959 — somewhere around that period — it moved to permanent quarters at 2074-2nd Avenue. In 1980, 20 some years later, the Whitehorse Credit Union closed its doors due to financial difficulties. Two thousand seven hundred members' accounts — now that's 2,700 members — and again, keep in mind the population of the territory. It would be interesting to know what percentage of people who actually believed in the credit union or wanted to be part of the credit union, not necessarily a bank, were members.

But 2,700 members' accounts were transferred to the Royal Bank and the loan portfolio was assumed by B.C. Central. The debt of the credit union was shared by the Yukon territorial government and the Canadian Co-operative Credit Society, who ensured that all people's accounts were covered. I know this because I was a member of the credit union in 1980.

In April 1980, under the Pearson government, the repeal of the credit union ordinance was introduced, read and voted upon. I will just quote a couple comments made by a couple of the MLAs at that time in response to moving the repeal of the *Credit Union Ordinance*.

This was the Minister of Education, Doug Graham, who most people know right now is Councillor for the City of Whitehorse. At that time he was the Minister of Education, and his comments with regard to this were, "In doing this, we recognize the fact that should another Credit Union ever hope to be established in the Territory, a new Ordinance must appear before this House. We feel that in the best interests of all involved that this should be the way that a Credit Union be established. The Ordinance currently in effect has many inconsistencies and problems and we feel that a total redraft would be the only possible way in which a new Credit Union should be established."

Another MLA, Mr. MacKay, spoke as well, and he said they were, in fact, trusting that kind of money in the hands of directors of the credit union who, however well-intentioned, had really no training in running a large financial institution. This may be true. Ultimately, I guess it was true in the fact that the credit union did have to close its doors.

Unfortunately, there was very little debate on this at that time. I'm not sure if the actions of the MLAs at that time needed to bring in an ordinance to prevent credit unions being established in the future. However, this is what happened and, unfortunately, since 1980, we have not seen the establishment of another credit union in the territory, or even the establishment of a branch in the territory.

There's a belief that maybe we went too far in that regard. I believe today this is an opportunity, after many governments have looked at this, for this government, hopefully with the support of the members on the opposition benches, to revisit this once again and re-establish a credit union in the territory or, if not a credit union, at least allow a branch to be set up within this territory so people who wish to belong to a credit union can once again have a choice — and not just have banking systems as an alternative — in where they wish to keep their capital, where they wish to get loans, where they wish to do their investments, where they wish to be members. So I believe it's time to try again.

So, why credit unions? What makes credit unions so unique? What makes credit unions so popular? Well, one in three Canadians uses a credit union. That's massive. Members get a say in their credit union. Anybody who has ever been a member of a credit union — and I'd like to put on record right now that I am still a member of the credit union. I was a member of the Whitehorse Credit Union that closed its doors, as I said earlier. I was never one who felt that what the credit unions offer is something that could be replaced by banks. Many years ago, I sought out and found a way to still be a member of a credit union. I am a member of what they call an "internet credit union," I guess. It's run by Vancity out of British Columbia.

Anyway, there are many people in the Yukon who are members of credit unions right now and would like to see a local one — or a branch anyway.

What is so unique about credit unions? Well, members get a say in their credit union. When you become a member of the credit union, you become one of the shareholders of that credit union. The community investment that is made by credit unions is often greater than the banks.

The accessibility to the people who live — the poor. Credit unions have always been for people who often are ignored or are not respected within a banking system, and that is actually where most credit unions originated from. It was from poor communities and from poor incomes. The people shape what kind of credit they want by being members of that. Credit unions are well known as being the leaders in the banking industry and the credit union industry as bringing in green technology.

I have referred to the fact that I am a member of a credit union. I do that through Internet, and it is called Citizens Bank. That could be considered green technology. It is very innovative and very leading edge because since the Citizens Bank was created by Vancity, many conventional banks have adopted that type of technology and process.

Credit unions can provide better terms for loans because they are cooperatives. There is a shared responsibility. The money stays within the credit union and is recycled back through it, rather than for-profit businesses like banks in which so much of the profits in that go to the shareholders who often will never ever live in the Yukon — I can assure you of that.

Credit unions contribute significantly to ensuring access to affordable financial services. Credit unions provide savings, credit and related financial services to communities that otherwise may not have access. Again, the example would be the poor. Just compare the way credit unions operate in allowing short-term loans or assistance to people who may be struggling during periods of the year or their life in relation to payday loan companies that have been allowed to spring up in this territory and, in many cases, have really been unregulated in the amounts they can charge, how they advertise and take advantage of people who may be struggling through a period of time during which they need cash.

Credit unions are legitimate and can do this in a much better manner than what we have allowed in this territory, which is payday loan companies. Credit unions are socially responsible and we see that in communities across this country. Anybody who has been from a community where there are credit unions will know very well the role credit unions play in the development and growth of that little region.

I was born in a farming community in which the bank was a credit union — there wasn't a bank there — and everybody knew each other and they were all shareholders of their local credit union — and I say "local" because it was a very small credit union — and it served the farming community extremely well. They put money back into the community because the shareholders made that decision and every shareholder was one of the farmers, teachers or church organizations. They could vote on where the profits went and almost invariably they voted

it back into the community. That does not happen under a banking system.

Credit unions are generally financially sound and they employ very conservative lending practices. They're not risk-takers at all. We just went through a period in which we watched banks go on an unbelievable extravaganza of risk-taking with other people's money, which brought about massive failure throughout North America, if not around the world. Some people will make the accusation that credit unions — which interestingly enough weathered this financial crisis quite well, better than most banks — are not conservative enough. It doesn't hold water any more.

The credit union's philosophy is this: place member needs ahead of institutional profits. That's the kind of organization, that's the kind of place, where I want to put my money. That's the kind of choice I want to have in this territory, and that's the kind of choice that people of this territory should have once again.

Credit unions can provide unconventional services to the people, and those can be microcredit, investment capital and whatnot. Now, when I made the statement a little while ago — actually on November 30 — in Question Period, the Premier stood up and said, "We must be very careful on this matter, Mr. Speaker, because of the last experience." Never mind that the last experience was 29 years ago.

This is the Premier's comment: "The other term the member used is credit unions delve into 'unconventional financing'." Well, let's be honest about that — unconventional financing is really what contributed to the global financial meltdown — without a doubt. Subprime loans/lending was totally unconventional financing. It was massive risk-taking. Unfortunately, it created a huge crisis within the world.

The bailouts to the banks have been astronomical and I'll touch upon that in a minute. I wanted to quote a few other pieces here. The World Council of Credit Unions prepared a report called, *Cooperative Banks, Credit Unions and the Financial Crisis*, back in April of 2009. This is an umbrella organization for more than 49,000 cooperative-owned not-for-profit credit unions in 96 countries which collectively hold \$1.1 trillion in assets and serve an estimated 857 million people. The report basically points to the causes of the global financial crisis: subprime mortgages with high interest rates, fraud, et cetera. It then looked at how credit unions worldwide have been affected by the global financial meltdown. This is the answer that they came up with: "In comparison to other financial institutions, credit unions and cooperative banks have performed exceptionally well during the financial meltdown ..."

Credit unions were generally not involved in subprime mortgage loans due in part to: (1) their commitment to member service rather than short-term profit maximization, and (2) credit union executives do not receive pay incentives based on excessive risk-taking.

In the United States where the financial meltdown was most severe in 2008, banks cut back on lending while credit union loans rose seven percent. Credit unions help overcome the financial market imperfections. They have been part of solving the problems the banks have created.

On the cause of financial crises, some economists on the left have a more simple analysis, and I'll just touch on that. The global economy has essentially been stagnant since the 1970s and most of the growth in the economy has been in the form of financial growth, to the point where the paper economy, built on debt and turning to more risky and obscure financial instruments based on debt, vastly outweighs the real economy. An example would be where real goods are produced, which would be considered the real economy.

They call this an inherent contradiction of global capitalist economy and predict that the crisis so far is the basic workings of the economy and that, without real structural changes, the next crisis will be even deeper than the current one. I have heard this across the board; I've heard this for many months, that this statement is becoming very true again. There will be another crisis because, in many cases right now, we don't have a real economy; we have a paper economy.

Yukoners should have the option of not going to a bank, especially the way the banks have performed in the last while. They should have the option of going to a credit union. Banks are not accountable to the people of the Yukon. They are accountable to their shareholders. They need to be accountable to the people of Yukon; that is what credit unions are. Banks are inaccessible to those on fixed incomes living in poverty, Mr. Speaker. Credit unions serve that area much better.

Let's recognize that Canadian banks have reaped huge profits in the last few weeks. I think just in the last few weeks there was an announcement about the massive amount of profits. This is at a time when people have lost their life savings. Where do those life savings exist or reside? With the banks. What are banks predicting? That they have reaped huge profits.

Who is benefiting here, Mr. Speaker? It is definitely not the people of this country or around the world. Their executives have continued to garner huge pay packages. What are their contributions to our communities? Well, we have seen massive bankruptcies. We have seen people have to walk away from their homes. We have seen people have to walk away from their loans. We have seen people struggling and yet the rich get richer and the poor get poorer, Mr. Speaker.

Banks are driven by profit. They are driven for their shareholders and they continue to fleece the people with charges on everything they do, from borrowing to ATM fees, et cetera. Interestingly enough, we still have ATM fees in this country and yet in most countries around the world they've banned allowing banks from charging ATM fees. Why can we not make that movement in Canada? Every time you go to an ATM machine it's like a \$1.50 that you have to pay to get access to your own money that they're investing or losing on your behalf — or paying their shareholders. Most progressive countries have said no, you cannot charge the people for access to their own money. We can't seem to do that in Canada and it's a shame.

November 30 — again, I quote from the Premier: "We have a fairly solid base of banking institutions in the Yukon, and the member knows full well that in the global situation Canada's financial institutions — Canada's banks — were in much better shape than the rest of the banks around the world."

Well, let's see why they're in much better shape than those around the world. Very quickly — what did Stephen Harper indicate initially when the crisis happened — that there would be no stimulus package — I think it was the federal Finance minister who indicated there would be no stimulus package for the banks; they are in good shape.

But that is not the truth, Mr. Speaker, because there was a stimulus package to the banks. A report called, *Canada's Long Road to Economic Recovery*, written by economists Jim Stanford and David McDonald, published in October 2009, states: "Ottawa's rescue of Canadian banks and other financial institutions a year ago was quick and massive. While Prime Minister Stephen Harper was insisting to the world that Canada's banks were sound, his minority government was busy handing them one of the biggest industry support packages in Canadian history. For example, since October 2008, the Harper minority government purchased \$65.5 billion worth of residential mortgages from Canadian banks, and auctions are continuing to a potential promised maximum of \$125 billion."

Now, supposedly our banks are sound, and yet we're talking, truthfully, about a bailout of \$125 billion. I thought Mr. Harper was an economist. Obviously, he went to — I'm not sure what school he went to, but he is definitely applying some kind of economics I've never understood and I don't think most people in this country can really understand, because it's based on — I can't say it in the Legislature.

Combined with other financial measures, the potential intervention — and remember this: combined with other financial measures, because there are other ways that Mr. Harper is ensuring the banks are extremely well off and the shareholders get extremely good dividends, and the CEOs continue to get massive payouts — the potential intervention could total \$200 billion. This is supposedly for an institution he insisted was sound, so why the bailout? I assure you the bailout is not for the credit unions; it's for the banks.

This \$200 billion dwarfs any other stimulus spending to date on infrastructure and other projects. He has given more to the banks and these institutions than all the stimulus projects out there. All the talk about infrastructure, about stimulating the economy, putting money in the hands of the people, the workers, the families, is less than what he gave to a few banks and institutions.

Now I will get back to credit unions. Mr. Speaker, there is support in the community for a credit union. I tabled a petition signed by 216 people. A group was organized called Credit Union Yukon. Letters of support for a credit union from the Whitehorse and Yukon chambers of commerce and the Yukon Federation of Labour were also tabled in the Legislative Assembly.

The Yukon Chamber of Commerce sees the benefit of a credit union invested locally with services tailored to the local community. Credit unions have a record of sound financial management, local ownership and accountability. That is from their letter.

The Whitehorse Chamber of Commerce sees increased options for financing for small business. They recognize the role that credit unions play for small business. The Yukon Federa-

tion of Labour says it's long overdue and there is a proven track record with significant impacts and benefits.

The petition that was tabled read: "THAT one in three Canadians are members of a credit union, and Yukon is the only place in the country without a credit union and there are numerous benefits to developing a credit union in the territory, including the following: both money invested in a local credit union and the profits would stay in the territory; throughout its history the credit union system has maintained a record of sound, prudent financial management and solid growth; credit unions are owned and accountable to the membership, resulting in better rates and better services for local communities. Therefore, the undersigned asks the Yukon Legislative Assembly to support legislation which will enable the development of a credit union in the Yukon."

There were comments written as well in the petition — interestingly enough, I think this was the first time that a petition has ever been submitted through an electronic petition as well. I believe, because it's the first time, it does create a slight challenge for how the Clerk deals with that type of submission. It's something that possibly we might have to look at under legislative renewal. Do we allow petitions to be drafted up in this manner and be submitted and accepted within the Legislative Assembly? That's another story and another battle at some other time.

There are a couple of comments I would like to read and then I'll be closing off my statements very quickly here so other people can get on record.

Some comments from the petition were, "As a lifelong credit union member before coming to the Yukon, I will attest to credit unions' more sound financial management, better customer service and far greater accountability to the community it serves than corporate banks, because the community is the credit union. It is time for a credit union in the territory."

The second quote, and there were many of them, "Yukoners need and deserve access to a locally run credit union to provide an accountable, member-owned alternative to the national charter banks, whose policies are not in the best interests of individual consumers and their families. I urge the Yukon Legislative Assembly to act without delay to correct the intolerable existing system."

I look forward to the comments from all members within the Legislative Assembly who wish to speak to the credit union motion that was brought forward by the NDP caucus. I hope that, today, we can correct an action that was taken in 1980 and allow at least the establishment of a branch credit union, or some ATMs or whatever can be set up here, so people once again have a choice in how they want to do their banking, where they deposit their money, what kind of investments they want to see, and what kinds of investments they want to see, and what kind of loans they can actually get to assist them in their growth. I'll just add one more thing — not just people, but also the small businesses, as was referenced by the Whitehorse Chamber of Commerce.

With that, I am looking forward to the debate to follow and am hoping to hear all comments made by members.

Thank you.

Hon. Mr. Lang: I rise today to speak to Motion No. 932, which urges the Yukon government to introduce legislation that would enable the establishment of a credit union in Yukon. I suppose that if one were to look at establishing a credit union in Yukon, one might think, "Why not? Wouldn't another banking option be good for Yukon consumers?" But having another banking option is not the only thing that must be considered. There are serious liabilities and serious taxpayer risks that this government and, indeed, this Legislative Assembly must also think about before proceeding down this road.

Regulation of credit unions in Canada is a complicated regime. There is a role for both the federal government and provincial/territorial governments. These are important roles — roles that help protect credit union members' personal and business assets, and roles that help protect the assets of the credit union itself.

This last point is key. We had a credit union in Yukon. I remember when it operated. I recall it ran reasonably well in the good times, but I also remember what happened when the bad times hit. I remember when it shut down; I remember Yukon members worrying about losing all their savings and investments. Ultimately, I remember the Yukon government — the Yukon taxpayer — providing somewhere in the neighbourhood of a million dollars to help cover the debt of that failed credit union.

I understand that credit unions are a good option in many provinces, but the provinces also have the population to support multiple banking options. In Yukon we have a very small population, and I'm not convinced it is currently a population large enough to support a local credit union.

Just walk down Main Street here in Whitehorse and you will see five major banks; then we have the First Nations Bank of Canada, which opened a little while ago, and there are also banking branches in many of our communities. I don't want to sound like I think a credit union operating in the Yukon is a bad idea; I just want to be clear that, before we go down that road, we need to be sure everyone understands the benefits and also the risks.

Certainly, there are benefits. A credit union would provide a whole new set of personal and business banking options for Yukoners. It could serve to benefit the territory through increased investment in Yukon, and that could have very strong economic benefits for all of us.

On the consumer side, credit unions do offer flexible financial services that may better serve the needs of Yukon residents and, of course, businesses. Credit unions are also member owned, which means that members have voting privileges. In effect, they have a say in how things are run and where their money goes. That is something that is not offered by the national chartered banks, and I can see how people would like to be able to have that ability to help determine how their money and the collective assets of the credit union are managed, so there are a lot of advantages to using a credit union as one's financial institution.

Having talked about some of the benefits of the credit union, I do want to return to some of the risks of a credit union

operating in Yukon, which I mentioned earlier. Again, to summarize how I see those risks, I would ask a few key questions. Does Yukon have a large enough population to support its own credit union? Is the local financial institution market already flooded? How do we protect Yukon taxpayers from a repeat of what happened here before — having to pay for the debt of a failed credit union? More specifically, Mr. Speaker, how do we best determine that a credit union is a sound proposal in Yukon?

These are fundamental questions we must consider before we develop any legislation to enable credit unions to operate here. When I consider those questions, I do have some concerns about the ability of a Yukon credit union to successfully operate here. Instead, I think that what we should be looking at is the possibility of a credit union from another province opening a branch here in Yukon. I think that could be a very viable option, Mr. Speaker. For example, Yukon could come to an agreement with another province or territorial government to permit this and that agreement could also quite possibly include utilizing the jurisdiction's deposit insurance scheme which would lessen Yukon taxpayers' liability. I think this approach is very interesting and is a viable angle for us to look at.

Mr. Speaker, as we move forward this afternoon in the debate, what I would like to go to now — and some of the information that I've been looking at — is credit union history. It is an interesting movement that was started in Europe. The first one in North America was in Quebec, but in Europe, simple credit union behaviour tracks back to 1844 by pioneers of Rockdale, England. These early European pioneers sold shares to fellow members to raise capital in order to buy bulk goods for cheaper-than-retail price, then sold those goods back to their members at a lower price — in essence, this entitled them to having the first credit union system.

Germany is recognized as a country holding the first official credit union. It was established by Franz Hermann Schulze-Delitzsch in 1852. His successful lending system expanded throughout urban communities, and he went on to develop a highly successful urban credit union system. The first rural city credit union was established by Friedrich Wilhelm Raiffeisen in 1864 in Heddesdorf, now part of Neuwied, Germany. The organizational methods refined there levied what is today called "social capital", having become a hallmark of the global credit union identity.

If we move to North American credit unions, in 1901, La Caisse Populaire de Levi in Quebec, Canada, became the first North American credit union. It required only a 10-cent down payment and the first collection from all the members totalled only \$26. Founder Alphonse Desjardins was moved to take up his mission in 1897 when he learned of a Montrealer who had been ordered by the court to pay nearly \$5,000 in interest on a loan of \$150 from a money lender. Drawing extensively on European precedents, Desjardins developed a unique, parish-based model from Quebec, La Caisse Populaires.

The first credit union in the United States was built in 1908 in Manchester, New Hampshire. It was called the People's Bank of St. Mary's and today is the location of the American Credit Union Museum. In 1910, Massachusetts became known

for having the first non-religious industrial credit union established in 1910 by Pierre Jay, then Massachusetts commissioner of banks, and Edward Filene and the women's education and industrial union. In 1934, F.D.R. signed the federal credit union act into law, passed in large part due to Texas Senator Morris Sheppard, and Texas Congressman Wright Patman. A service organization, the Credit Union National Association, formed to provide insurance auditing and supplies to credit unions as well as offer programs for the less fortunate.

From the beginning, the credit union movement employed a simple notion: that people could achieve a better standard of living for themselves and others by pooling their savings and making loans to neighbours and, of course, co-workers.

In 1844, in Rockdale, England, workers and weavers created a democratic consumer cooperative establishing the credit union principles that we know today. Of course, in Germany in 1849 the lawyer Hermann Schulze-Delitzsch established a credit society to help shopkeepers and urban workers find relief from loan sharks. Frederick Wilhelm Raiffeisen considered the German founder of credit cooperatives also actively worked to ensure better financial services for the working class.

In 1901, in Levis, Quebec, the first North American credit union was established. In 1909, again, Manchester, New Hampshire, had the first credit union established in the U.S. In 1921, in Boston, Massachusetts, Edward Filene, a wealthy merchant, considered the father of U.S. credit unions, and Roy F. Bergengren, a lawyer, organized the Credit Union National Extension Bureau with goals to enact credit union laws and form credit unions. Filene's idea stemmed in part from a 1907 visit to India where he observed a system of agricultural cooperatives.

In 1934, in Washington, D.C., President Franklin Delano Roosevelt signed the *Federal Credit Union Act* into law, passed in large part due to the Texas Senator Morris Sheppard and Texas Congressman Wright-Patman. A service organization, the Credit Union National Association, formed to provide insurance auditing, and supplies to credit unions.

In 1967, in Washington, D.C., the National Association of Federal Credit Unions was established to protect the federal credit unions' interests in the national capital.

In 1970, the National Credit Union Administration forms to oversee federal credit unions, and the *Federal Credit Union Act* is amended to authorize federal insurance for members' savings accounts.

Deregulation in 1980 in the financial service industry creates new product offerings, like share drafts — also known as chequing accounts — individual retirement accounts or IRAs, plus a rate ceiling on savings accounts is removed.

In 1984, NCUA interprets the *Federal Credit Union Act* to allow individual select employee groups to join a credit union, as long as members in each group share a common bond, i.e. manufacturing, high-tech, education, et cetera.

In 1990, in conjunction with four North Carolina banks, the American Bankers Association filed suits against NCUA and the AT&T Family Federal Credit Union over the 1982 interpretation of the *Federal Credit Union Act*. Bankers were concerned with the authorization to allow select employee

groups to join the AT&T Family Federal Credit Union who were unrelated to the original credit union sponsors and didn't necessarily share that common bond. The bankers appealed the lower court ruling that favoured the credit unions.

In 1996, following an adverse ruling from the District of Columbia Federal Appeals Court, an injunction was issued prohibiting federal credit unions from taking in members unrelated to their core membership group and common bond. This ruling was appealed to the Supreme Court and a partial stay was issued, permitting members to sign up in existing, unrelated employee groups, but prohibiting new employee groups to be added.

On February 25, 1998, in a 5-to-4 vote, the Supreme Court ruled against consumer choice by upholding the appeals court decision. The Supreme Court ruled that banks have a stand in suing NCUA.

In March of 1998, the House of Representatives Banking Committee unanimously passed HR 1151, the *Credit Union Membership Access Act*, which protected consumers' rights to join credit unions. In April 1998, the full House passed HR 1151 by a vote of 411 to 8. On July 28, the U.S. Senate's version passed with a vote of 92 to 6, culminating in a rewrite of the 1934 federal *Credit Union Act*.

In August of 1998, then President Bill Clinton signed the *Credit Union Membership Access Act* into law, giving federal credit unions the authority to add select employee groups with 3,000 or fewer employees/members, even if they didn't have a relationship with the credit union's original sponsor.

In December of that year — 1998 — NCUA implemented their new field of membership rule, Interpretive Ruling and Policy Statement 99-1, disregarding legislative intent. The rules disregarded statutory language regarding the local nature of credit unions and guidelines regarding an immediate family member or roommate's eligibility for membership. The rule also defined a local area as a single county with fewer than 300,000 persons or multiple counties with fewer than 200,000 persons.

In 2001, the Access Across America initiative was unveiled by NCUA. Chairman Dennis Dollar states that the initial purpose was to facilitate credit unions as they seek to reach out and provide lower cost financial services to as many Americans as possible. Dollar also stated in *Credit Union Magazine* that, "You must realize that everything you would like to see in the FOM rules will not, and, frankly, cannot be included under existing law, but we can make sure that existing law works to its fullest extent and works better than it does today from those millions of Americans who still need to access to credit unions."

In February 2003, the small business administration expanded the use of guaranteed loan programs, opening its eligibility rules to allow partnerships with all credit unions. Loans guaranteed by the federal government did not count against the aggregate business lending cap.

In March 2003, the interpretive ruling and policy statement IRPS 03-1 was issued by the NCUA. This statement altered FOM rules to create trade, industry and profession wide charters and broadened the community charter to include any single

county, city or political subdivision, regardless of population, as a well-defined local community. IRPS 03-1 also expanded the definition of "local community" for purposes of community charters, to include residents of any city, county or smaller political jurisdiction, regardless of population size.

Under the proposal, local communities also included any metropolitan statistical area or part of it with fewer than one million people, political jurisdictions with populations up to 500,000 people, and that was raised from 200,000. The proposal also allowed credit unions to seek charters for even larger areas.

In April 2003, NCUA approved Tooele FCU's application to expand community charters to six Utah counties, comprising two-thirds of the state's population.

In May of 2003, Goldenwest and America First converted to federal charter serving the exact same field of membership as Tooele FCU. The NCUA sent out letters claiming that any federal credit union may include in its field of membership, regardless of size, location, or charter type, communities satisfying the definition for serving the underserved (investment) areas in the federal *Credit Union Act*.

In July 2003, ABA, Utah Bankers Association, and four banks sued NCUA over Tooele's application.

In September 2003, an amendment to the member business loan rule was made by the NCUA board. It allowed flexibility in determining loan amounts counted against the cap. The board also asked to permit credit union service organizations to originate business loans and relax risk-weighting standards.

In October 2003, the first in a series of member business lending workshops was convened by the NCUA. These workshops are directed at facilitating the involvement of new credit unions into business lending.

In July of 2004, the NCUA approved a community charter for LA Financial. Its new charter included 9,637,494 potential members, making it the largest single-community charter approved to date. The approved "local community" included a population larger than 42 states and the geographic area exceeded the combined square miles of Rhode Island and Delaware.

In April of 2004, Mr. Deputy Speaker, the NCUA director of examination of insurance issued a memo encouraging NCUA's regional directors to evaluate and consider granting a waiver for all loans made as part of SBA's 504 program. The waiver helped credit unions fund business loans by suspending the value limits required in the member business loan rule during the first four months of the lending process.

In December 2004, the U.S. District Court for the District of Utah invalidated Tooele's FCU charter ruling that the proposed community is not local. U.S. District Judge Dale Kimball stated that the NCUA "cannot act as a rubber stamp or cheerleader for any application brought before it." Community CU and OmniAmerican CU began a conversion process to become mutual savings banks.

In August 2005, the NCUA invalidated Community and OmniAmerican's conversion votes because of the manner in which the disclosures were folded, causing both credit unions to sue. After criticism from Members of Congress and the

judge hearing the case, NCUA settled to allow both credit unions to convert.

In November 2005, ABA announced two lawsuits against NCUA. The first lawsuit challenged NCUA's approval of underserved expansions for community chartered credit unions. The second suit alleged that the NCUA approved a community charter in Pennsylvania that was not local and well-defined as necessitated by statute.

Mr. Deputy Speaker, as you can see, most of what I've just read into the record is America's growth in the credit union aspect of financial availability for communities. Of course, as it grew, there were different opinions and, of course, the justice system was involved in many parts of the growth of the industry.

Here in Canada, we have a banking system that works. We only have to see what happened through this time of great concern over the last 18 months, when we were looking across the border and seeing the number of banks in America that either went bankrupt or were in very bad financial straits.

As the Member for Whitehorse Centre was talking about, 29 years has passed and so we should have a credit union. The last credit union failed for different reasons, but somehow 29 years — of course, 29 years is a long time to span a time, and certainly it bears looking at, but it doesn't change the situation. Our population has grown. It has gone from, as he said, 8,000 or 10,000 to 34,000, but it still is an issue.

On March 27, 1980, when they were having the debate on the issue about the credit union and the financial predicament that the government found it in, the Leader of the Liberal Party, Mr. MacKay, had interesting comments because he at one point was involved from an accounting level — in his private life, he was the accountant.

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

It's interesting to get an overview from the accountant's perspective of the actual operation of the establishment that was in place at that time.

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

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

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

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

This is an overview of the auditor of the day who was also a sitting member here in the House. We should take his words to heart if we were to move ahead with an investment, or if the community were to move ahead with an investment in a credit union.

I guess, as we move through this, if we were to look at some quick facts about credit unions in Canada — I will go over that. It's very short.

Some Hon. Member: (Inaudible)

Quorum count

Deputy Speaker: Member for McIntyre-Takhini, on a point of order.

Mr. Edzerza: It appears that there is not a quorum present in the Legislative Assembly.

Deputy Speaker: Pursuant to Standing Order 3(2), there does not appear to be a quorum. The Chair will ring the bells for four minutes and then do a count.

Bells

Speaker: Order please. I have shut off the bells and I will do a count. There are 15 members present. A quorum is present. We will now continue debate.

Hon. Mr. Lang: Mr. Speaker, in the debate this afternoon, we're debating the questions about jump-starting the idea of a credit union in the territory and getting the legislation put forward that would make that available. I read into the record, Mr. Speaker, Mr. MacKay's overview when he was not only a sitting member in here, but also the accountant or the auditor for the corporation when it was in existence. He was very clear about the shortcomings of local management skills and responsibilities, and he was certainly very conscious of the fact that if in fact it wasn't for the government of the day putting in their million dollars, that really, in actual fact, the credit union itself would have been responsible for the million dollars. The membership — or the depositors — would not have had their money guaranteed. That was a decision made by the government of the day, but in turn it was certainly an eye-opener for the government of the day and the leader of the Liberal Party at the time. Mr. MacKay certainly was concerned that if we were to move forward again with this concept of a credit union, we should do our homework and make sure that

some of these recommendations that he had there — the responsibility, the checks and balances, the whole management team, the training — would have to be addressed. By the way, Mr. Speaker, the guarantee or the insurance of depositors and the process through which the money would be lent out, or the system, would be based around lending money to the membership and collecting that money, so that is all part and parcel.

In the notes that I read, Mr. Speaker, the organization of new Canadian credit unions has tapered off since the 1960s, reflecting a trend toward fewer, larger organizations. Membership in Canada now totals more than 4.9 million.

So there is a bit of a shrinkage, but that doesn't mean that there isn't membership in credit unions. You only have to look at the prairie provinces and the Province of British Columbia. If we were to take sort of a quick view of the credit unions in Canada, the credit unions in Canada trace their roots first to Quebec, formed by Alphonse Desjardins, in Levis, Quebec, in 1900.

Today there are some 1,058 credit unions and caisses populaire in Canada, many with multiple branches. They hold combined assets of \$209 billion and serve 10.8 million members. This is as of December 31, 2007.

Throughout its history, the Canadian credit union system has maintained a record of sound, prudent financial management, solid growth and uncompromising service to credit union members.

In other words, it has done a stellar job in representing its members and overseeing its responsibilities. The B.C. Central Credit Union was created in 1944 as the financial facility for B.C.'s fledgling credit union system and later became its payments clearinghouse. In 1970, a merger with the B.C. credit union league brought trade association services under its umbrella. In 1996, B.C.'s central name was changed to the Credit Union Central of British Columbia.

The Ontario credit union league was formed in 1941 to meet the needs of the province's credit union and in 1990 its name was changed to the Credit Union Central of Ontario. On July 1, 2008, the two centrals combined under the name of Central 1 Credit Union. The combination involved Credit Union Central of British Columbia acquiring the assets and assuming the liabilities of the Credit Union Central of Ontario at a fair market value. Central 1 is owned primarily by its member credit unions — 48 in the Province of British Columbia and 140 in the Province of Ontario. This again is of July 1, 2008. Shareholdings in Central 1 reflect the proportional assets of member credit unions in each province with B.C. credit unions holding 69 percent of the voting shares and Ontario credit unions holding 31 percent.

Mr. Speaker, Central 1's role is to serve as a central financial facility, liquidity manager, payment processor and trade association for the provincial credit union system of the provinces of British Columbia and, of course, Ontario. It provides leadership, advocacy, technology and a range of support services in fulfillment of these key functions. Central 1 employs more than 475 staff and holds more than \$7.5 billion in assets. Again, this is of July 1, 2008.

You can see where the benefits of joining a bigger organization would be, from the simple fact of supplying these services — which are key to making sure that Mr. MacKay's recommendations are respected and followed — management, leadership, advocacy, technology and a range of support services in fulfillment of these key functions.

I guess the key to any success is the checks and balances and the individuals who are managing the investments that the membership trusts you with.

The B.C. credit union system includes 48 independent credit unions with 373 branches and about 500 ATMs in 140 communities — including 41 where there is no other financial institution.

B.C.'s first credit union was established in 1939. Today they form western Canada's largest financial network.

B.C. credit unions serve over 1.6 million members — about one-third of the provincial population. Those are interesting figures, Mr. Speaker. Those figures are from December of 2007 when all this information was put together.

Together, B.C. credit unions hold over \$42 billion in assets — that is of December 31, 2007. B.C. credit unions employ about 8,000 British Columbians — a large workforce, Mr. Speaker.

B.C. credit unions are democratically controlled through more than 400 locally elected directors. Mr. Speaker, the credit union is being driven by grassroots British Columbians who have a stake in the success of the credit union, because all of them are members of that credit union.

Over the past five years, B.C. credit unions have returned an average of \$35 million annually to members in dividends and patronage refunds. B.C. credit unions are common, community-based and open to all. In recent years, about one-third of British Columbians who changed financial institutions have switched their business to credit unions.

B.C. credit unions provide a full, competitive range of financial and investment products, strengthened by overarching commitment to quality and service. This is talking to the B.C. credit union and the overview of it.

The credit union difference: the fundamental operating principle of every credit union is democratic ownership; every member holds shares and has a vote in the decision-making process. This is completely different from the normal banking system we find in our country, which is controlled by shareholders who are investors in the banks, but this form of democratic ownership is a very grassroots process.

Credit unions are locally based and locally owned. They play a key role in fostering community development and local socio-economic well-being. In other words, they address the needs of the community.

If we were to look a little farther east, let's say in Alberta, these are some facts on the Alberta credit union system. It is made of 48 credit unions and more than 700,000 Albertans are credit union members. Credit unions provide full-time employment to almost 2,800 Albertans — a bit smaller than British Columbia. Credit unions provide a full range of financial services in person, at over 210 branches in 127 communities in Alberta — 116 of these branches are located in rural Alberta,

through 240 automated banking machines, and over the telephone and the World Wide Web. In other words, the credit union in Alberta is becoming more and more high-tech.

Combined credit union assets in Alberta reached almost \$15 billion in 2007. Over the past five years, over half of yearly earnings were returned to members in the form of share dividends and patronage rebates — unique benefits available only to Albertans who are members of a credit union. Again, Mr. Speaker, it's very much of a successful grassroots banking system in the Province of Alberta, but I remind the members opposite that they have access to 700,000 Albertans who are members of the credit unions in Alberta.

Alberta credit unions are also part of a larger national network. Nationally, nearly 526 credit unions and caisses populaire provide services to over five million members and have combined assets of approximately \$99.5 billion. Those are impressive numbers and speak to the vitality and strength of the Canadian credit union movement.

Canadian credit unions also belong to organizations called credit union centrals, located in every province. These "centrals" provide credit unions with corporate financial services and development support. Functions include research, development and implementation of a variety of services ranging from marketing programs to communications to information services, to financial and banking services, to government relations and strategy planning. The central organizations also provide important links to the provincial and federal governments and to national cooperatives, including Credit Union Central of Canada, which is the national trade association and is located in Toronto, Ontario. Credit Union Central Alberta Ltd. is located in the City of Calgary, Alberta.

Credit unions are also part of a worldwide network that operates under a common set of international cooperative guidelines and principles. The World Council of Credit Unions, or WCCU, operates as a worldwide representative organization of credit unions and similar financial institutions. WCCU's mission is to be the world's leading advocate, platform and development agency for credit unions.

So, Mr. Speaker, you can see that credit unions have matured through time, whether in the United States or, in fact, here in Canada. Of course, by reading some of this documentation, they were very necessary at the turn of the last century, if you were to see where the credit unions were established because of the lack of banking facilities in Canada — maybe not the lack of banking facilities but the lack of flexibility of those banks to serve the population as they saw the need.

Most banks in Canada — and I have to say that, in my mind, the banks in Canada have done a stellar job to get through this downturn that we've been looking at over the last 18 months.

A bank can't be as flexible as a credit union because of the nature of how it is set up. The checks and balances in place are very orientated toward the viability of the bank as a bigger picture. It doesn't have the flexibility of a credit union where you have your membership sitting around knowing the lay of the land, knowing individuals who are working and borrowing or

participating in the credit union and addressing those issues at a local level.

Again, Mr. Speaker, we have to go back to Iain MacKay — and it was 29 years ago that Mr. MacKay stood up here in the House and agreed with the government of the day that this thing needed to be closed and the government of the day would be responsible for the debts incurred by the credit union. His worry was, again, not the concept of a credit union — he thought the credit union had great value — but he could see as the auditor that the credit union didn't have the expertise to run what they were running and certainly that weakness in the management skills was what caused the termination of the bank.

Certainly in United States, if you were to go today, hundreds of banks have closed their doors and they've closed their doors for many reasons. Some of the reasons are that they don't have the same overview of banks in United States as we do in Canada. Of course, that was shown to be true when we went through this dip in the economy and the American banking system collapsed for many reasons. We can talk about the investments, we can talk about whatever, but at the end of the day, these local banks that have gone bankrupt by the hundreds in the United States were driven by local investors, but also were not very secure when it came to the amount of resources they had at hand.

I looked at something when I was mentioning — if in fact we were to look at a credit union coming into the territory and having the horsepower of a credit union from the Province of British Columbia — when you look at their asset base, we could have a situation here where we would have a local credit union but in turn we would have the expertise of a larger identity. If you were to go the Alberta route and had interest in an Alberta credit union, they had almost \$15 billion in assets in the year 2007. That is important because, in fact, you have to have the resource to run the bank. If you had this kind of resource pool, it would be no different from the Bank of Commerce here, which is a branch bank of a bank that has assets based in eastern Canada. Again, we would have the credit union and we would have the membership here locally. We would just be associated with an Alberta credit union and we would be a branch of that. In turn, I think, Mr. Speaker, they would add the professionalism and the training that we would need in a credit union here to make sure that we didn't repeat what happened 29 years ago. It is very important that we keep the 29-years-ago experience and that we are concerned about those kinds of issues because we don't want to repeat ourselves.

Certainly, the population has grown, but in turn our access to banking has grown too. When I grew up in town, there was the Bank of Montreal and the Bank of Commerce and then later on came the Royal Bank and the Toronto-Dominion and of course the Bank of Nova Scotia. Three of those banks are fairly new in the community, but all very successful. That doesn't mean that there's not room for a credit union. It just means that we have to do our homework, and who better to do it than talking to another credit union and having them do an audit and from a professional level coming into the community and asking what is the interest here and what is the process to find out

whether in fact a credit union would do well here today, any more than it did 29 years ago.

They had membership — 29 years ago they had a strong membership. It seemed to me to be well-received.

I think if you were to look at Iain MacKay's overview as the auditor here in the House, it was the fact that it missed some of the more important things, which was the management of the local branch, the lack of support the branch had from a training perspective and also the added advantage of having expertise on the board to know what direction the credit union should go.

So in other words, what we had there was a successful credit union as long as things were going fine, but if you had a dip in the economy, that became an issue. That's an issue that all banks deal with, of how do you collect the loans and what percentage of loans is acceptable for not being able to collect? All banks have that in their hip pocket; they can say five percent or two percent or one percent of our loans are going to go bad.

Well, what would that do to the local credit union? Obviously it did something because it was brought to a close very quickly. The government of the day stepped in and contributed the money to make sure that nobody was unduly penalized because of the lack of the management.

So, in my talk this afternoon on this issue, I don't want to give the impression on the floor here that I'm against the credit union. I think a credit union, well-run and with resources, could add to our community. Any time you add those kinds of opportunities for Yukoners to raise money and invest locally, I can't see a downside. But I can see a downside if we don't keep what Mr. MacKay said in the back of our minds: how do we do this to make sure it's successful?

I would recommend — I'm not the decision-maker here, Mr. Speaker, on the floor. But, as an individual and as a member, I would recommend going the route of talking to an existing credit union and seeing where the interest is. We obviously have, in the Province of Alberta, a full service of credit unions — over 210 branches in 127 communities. Think about that, Mr. Speaker — and 116 of those are in rural Alberta. That's where we are. We're in a rural setting here in the territory. They would understand our situation. And with the combined investment of assets of \$15 billion in the Province of Alberta — again, that would help any organization in the banking industry to be confident to set up a branch here in the territory.

If you were to look at the Province of British Columbia, they in turn have billions of dollars. When you do your homework on this, Mr. Speaker, it is something to look at. These communities have raised this kind of capital for their province and obviously the credit unions in the provinces of British Columbia or Alberta — I haven't looked at Saskatchewan or Manitoba; there is a fleeting overview of Ontario — but I sort of looked at the opportunity for us looking at B.C. and Alberta because of them being our neighbours.

Also, I couldn't find in my research that Northwest Territories and Nunavut have credit unions or have a mechanism for credit unions. In addressing that, I couldn't find that. If the member opposite has that information, I couldn't find it. As we

go through this afternoon and talk about this issue, I think it is important that we talk about this and also, if we are going to go ahead with any ideas, that we do our homework and go through Mr. MacKay's overview and scratch off his concerns to make sure we answer those concerns in going forward.

The credit unions across Canada — it seems to me that a lot of these credit unions were started around churches. It seems to me that congregations put together initiatives so they could take advantage of small communities and they would put together a semblance of a credit union so people had access to money.

Some of the information on the amount of money that was involved was interesting. I mean, we're talking 100 years ago, but they were talking about \$26. Nowadays we don't talk in dollars; we talk in either billions or trillions, but that \$26 is still being passed around in Ontario and that organization is very successful today.

In my remarks this afternoon, I say to the members opposite and to the Leader of the Third Party that I'm not standing here against a credit union. The more research I did, it seemed to me to be well-accepted here in Canada and in the United States. They have different levels of credit unions in Europe. In England they do, and they served a purpose over the many years they've been implemented in Canada — in the world, really.

In Canada, whether you go to Nova Scotia or any of the other provinces, there's a lot of information on credit unions and they're mostly successful. It's amazing that these organizations — I had no idea that B.C. and Alberta — well, Alberta not so much — but that B.C. would have that kind of horsepower when it came to assets or the amount of money they have or the access to money they have.

In the one in Quebec, for instance, everyone threw in 10 cents and they had \$26 and they moved on to do what they do today. It is quite a success story in other jurisdictions. Again, in closing, I would say to the members here in the House that we have to be very conscious of how we do it.

It might have been 29 years ago that we had the last credit union, but I remind everybody to take a look at the *Hansard* on March 27, 1980. It was Mr. Graham — he was on the government side — and Iain MacKay, who was a very highly respected accountant — was then, but is even more one of the top 20 accountants in western Canada, I would say and probably has one of the biggest accounting firms in western Canada. I would not ignore his review of the potential of another credit union coming forward and to make sure that we somehow answer the questions that he puts out there. He was the auditor for five years, I think. He did have a history with the credit union.

In closing, Mr. Speaker, I'm certainly interested to hear the remarks made here this afternoon, but I recommend that we all be very conscious about what happened in the past and, if and when we move forward with this, that we should look at a partnership or a branch of an existing credit union so that we have what Mr. MacKay was saying — the checks and balances in place to run a bank — because in fact you are running a bank.

It doesn't matter that it is run locally. A bank is run like a bank. Every day it is run like a bank and that is what made all

the banks here across Canada very successful: they had a process and they have checks and balances in place. The federal government has overview of it. There are checks and balances.

We have to be very concerned that, if we were to start a Yukon credit union today, what would be those checks and balances and who would be in charge of those checks and balances and, in fact, is there room in our territory today for a credit union. I think that by partnering with another jurisdiction and another credit union, we could get that information from them independent of our area, they could come up and do an overview and say whether there is room for that and look at piggybacking on the Alberta system or the B.C. system so we could get the expertise we need to make sure that we don't repeat. There would be nothing worse than repeating what happened 29 years ago because, in the end, credit unions do have a trust and that trust is that the money that is deposited is somehow guaranteed and that it is being invested in a proper fashion and there are checks and balances in place.

Mr. Mitchell: I've listened with rapt attention to the previous two speakers. I thank the Member for Whitehorse Centre for bringing this motion forward. I will not be speaking at great length to this motion.

We in the Official Opposition, in the Liberal Party, do support there being open competition in the marketplace. We see the benefits and value of credit unions; in fact, on Thursday, November 5, 2009, I put a notice of Motion No. 870 into the record, which said that this House urges the Yukon government to introduce legislation enabling the establishment of credit unions in the territory. As I read the motion before us today, Motion No. 932, it is virtually identical but has added the wording of "in the Legislative Assembly by November 30, 2010" so there's a deadline on it. That's fine.

As I said, I did listen with rapt attention to the previous speakers. I know the mover of the motion, the Member for Whitehorse Centre, laid out the case quite well of the benefits of credit unions. He did identify Yukon as being the only jurisdiction in Canada where credit unions aren't allowed to exist. I wasn't aware of that; I knew that all the provinces had credit unions, but I thought perhaps one of the other territories did not.

I do know the items the Member for Whitehorse Centre spoke to regarding the benefits of credit unions, we strongly agree with. We agree with choice for consumers. The Official Opposition thinks that greater choice can only benefit Yukoners. We think it's particularly important for individuals and small businesses to have the ability to play an active role in the management of their investments and their money, and credit unions are a vehicle designed to lend itself to that, more so than the chartered banks.

I believe five million Canadians are members of credit unions; 24,000 people are employed by credit unions. There were \$117 billion in assets and \$106 billion in deposits, \$97 billion in loans. That's information from Credit Union Central of Canada. I don't have the year, but I believe that's fairly current.

I think the important aspects are that they are operated democratically and owned by customers, who are the members.

They offer financial education, training and information for members, staff and directors. And credit unions traditionally have high levels of community involvement, which include volunteerism, being involved in community projects and events, fundraising locally, making charitable donations, and providing the public with financial education. So they serve a lot of public educational and participatory roles.

Now, Yukon is home to very vibrant small businesses, arts and recreation communities, and the credit union would, no doubt, provide another option for financial services to all these communities. Right now, consumers who are on the margin for using deposit services at banks only have cheque-cashing establishments as alternatives. A credit union may provide better, cheaper, and more secure services to many people. Credit unions have different, more flexible criteria for personal and business financing, which could help to create financial opportunities for Yukoners who don't currently have access to lending or perhaps feel the access they do have to lending is not well-tailored to their individual needs.

So we certainly support having more choice, as I said. We not only had tabled a very similar notice of motion, but just the way the motion days fall, we didn't have the opportunity yet to call ours and so we will support this. We think it's a good idea and in fact, I signed the petition that was circulating in support of it. So I'm one of the — I thought I had written down the number of signatures in my notes from the Member for Whitehorse Centre — but mine is among them. So it would be unlikely that I would not be supporting this and our caucus agrees.

As far as the extensive comments from the Member for Porter Creek Centre — which were a fair bit more extensive than the original mover of the motion — in fact, I went through three glasses of water just listening to the motion. I got that thirsty. I can't imagine how thirsty the Member for Porter Creek Centre must have been. In any case, I think we could sum up most of what he said beyond the historical details of the changing of names with the old aphorism, "once burned, twice shy."

That is probably good notice to this Assembly. There was difficulty some 29 years ago that arose and as the Member for Whitehorse Centre pointed out and the Member for Porter Creek Centre also echoed, it required a \$1-million infusion from the government of the day to resolve that issue. I would think that 30 years — almost three decades — in purgatory is probably long enough. None of these problems is insoluble. The difficulties and the warnings that the Member for Porter Creek Centre laid out regarding the potential serious liabilities and serious risks and the need that he quoted from the former member, Mr. MacKay, of the need for checks and balances, for training, for guarantees — all of them are no doubt issues that credit unions across Canada have had to deal with and have successfully dealt with. While we will have to see where this debate goes, certainly the Member for Porter Creek Centre was indicating that we might be well-served if we changed our enabling legislation to allow credit unions that are larger than a locally created credit union, one that is headquartered else-

where that already has sizable deposits and a strong board to operate within Yukon.

That might be the way to put our foot in the water, so to speak. We have no opposition to that if that is the way we go, although I'm not certain whether that will fully address the desire of the local community groups that would like to see credit unions operating here in terms of the degree of local control. But we think that anything that offers more choice to Yukoners and more flexible financial services and more control would be a good thing and I look forward to hearing what other members have to say. Hopefully, we can bring this to a successful vote and get on to the second motion that's on the Order Paper today from the Member for Vuntut Gwitchin, which should be an equally interesting debate for us to have this afternoon.

Mr. Edzerza: I rise today to speak this motion with regard to credit unions. I'd like to start out by saying that I was raised in Atlin, B.C. where there were no banks, period, and no financial institutions where one could go and obtain credit of any sort.

I know that the Member for Whitehorse Centre stated that credit unions were sort of organized in the Yukon Territory in 1957. At that time I was approximately nine years old. Needless to say, when I left Atlin and came to Whitehorse, it was in the early 1960s to attend school in Whitehorse. I remember passing by a building that was directly across the street from here on Second Avenue and I believe it had a sign on there that identified the place as a credit union. At that time, being a young teenager, I had no idea of whether that was a union hall or what it was. Anyhow, that was many years ago, when my hair was still dark brown, and my chest was probably in the right place and hadn't slumped yet.

It goes to show that the credit union, when it originated in the Yukon, was many years ago. At this point in time, today, the credit unions are probably not at the top of my priority list, and I've never been approached by constituents to lobby for a credit union, but that doesn't mean that I would deny any other citizen in the territory having or wanting a credit union established in the Yukon. Can I support it — this motion?

Of course. I believe it's a good thing, if there are other avenues for citizens to establish or obtain a credit rating because, from experience, I do know that some banks are very, very difficult to convince that you're not a high risk to obtain a loan from them. I know from personal experience that at a young age it's very, very hard to get your first loan. I've also noticed, through practical experiences at other financial institutions, they ended up supporting credit to those whom a bank wouldn't. I know this for a fact — that, for example, CitiFinancial authorized a loan for a friend of mine, who was turned down by the bank.

I am happy to say today that I also know that my friend paid the loan off. To have another outlet where a person maybe has a little bit better opportunity to establish a credit rating is really a good thing. I know that younger people are really the ones who could benefit from a credit union, and I believe that,

because it is run and owned by members who joined the credit union, the lending criteria can be somewhat softened.

I would like to also just put on record that I had many friends who did belong to the credit union and they were disappointed when they no longer existed; however, I'm a firm believer that you don't totally erase something off the radar screen because of a failure at one point in time or another. It's always best to approach things in life so that, when at first you don't succeed, you try and try again.

Having said that, I do support this motion and I thank the Member for Whitehorse Centre for bringing it forward. I will give others an opportunity to speak on this motion.

Hon. Mr. Fentie: I first want to acknowledge and recognize the mover of the motion and the Third Party for bringing forward an item of business that is definitely worthy of debate and discussion. There has been a great deal of presentation so far this afternoon on the history of credit unions, not only here in the Yukon. I must say on that point that the experience the Yukon has had in the past with credit unions being established — or at least one credit union — albeit the merits and the goals were laudable, the outcome was a bit difficult to manage.

That said, however, there's no reason for the Yukon not to consider the establishment of financial institutions like credit unions, but we have to consider all the factors that come into play when we do so. The first and very important issue here is, unlike banks, the credit unions are a creature of provincial and/or territorial governments. Banks in the country, however, are a creature of the federal government.

In saying that, I think we can recognize, especially in recent times with the financial meltdown globally, what that really means, because Canada clearly fared better under its federal banking system with the controls and regulatory processes we have in place, fared better than other countries around the world.

We have to make sure we recognize that there are challenges that we must understand to ensure that we protect the Yukon taxpayer. In short, that would be one of our priority issues to address. Now the motion itself is very general and obviously has an action item — an objective — to establish a credit union, but I think we need to do a little more work in our debate here today with regard to how we would proceed in doing so. The history that has been alluded to shows that there were examples of maybe how not to do it, but there are other options that should be looked at, should the territory want to proceed in this direction.

First and foremost, I think it's important that we not just simply do this by some sort of decree of this Assembly, but make sure there are representatives of more than simply government and elected people. There must also be representatives out there who involve the public interest and that includes such bodies as labour and others — businesses for example. One of the fundamental opportunities that would arise from such a process is increasing access to capital for Yukon. Done right, that would mean that we increase the inflow of available capital for Yukoners and Yukon business, further enhancing our fiscal

capacity in the Yukon and also in doing so contributing to the growth of wealth, prosperity, investment opportunities and capacity that go with that increased flow of capital that would be incoming to the territory.

We also have to look to other examples of how credit unions have been established in other jurisdictions in Canada. In doing so, we can understand better how we might be able to create the critical mass necessary to establish what one would define as the fiscal capacity needed to operate efficiently another form of bank or financial institution in the Yukon, considering our population size, the size of our economy, the amount of cash flow that we have available in the territory — all factors that are critical like the projections of economic growth, other investment opportunities and the access to mortgages. What is our real estate market doing? What is the demand there? — and so on.

The discussion we're having this afternoon is a very valid one and requires a lot of forethought; good, constructive debate and insights into how — not whether we do it or whether we don't do it — but how we might proceed. So the government side is actually supportive of the concept, the motion, and the idea, but I think there are a number of things that we must address, so that we do not get too far ahead of ourselves.

You know, you look at the fact that the original credit union had only approximately 2,700 members, and their accounts, at its closure, were transferred to the Royal Bank of Canada. I think that alone demonstrates one of the options that we should really emphasize. Should we proceed down this path? Can we establish a credit union that would be — let us call it or define it as a “satellite of another well-established, efficient, effective credit union system” from another jurisdiction?

Of course, that would change the membership of said credit union, to the point where it is not the critical element of how many members from Yukon are involved, but the barometer we would measure this by would be the overall total number of members that exists within the corporate structure of the said credit union.

The option here is to look at other jurisdictions, to establish whether this is actually an option that would work here. Research must be done. We need to look at legislation. We need to look at the structure. We need to look at other possible impediments to such a process, keeping always in sight the objective of increasing access to capital made available for Yukoners, thereby increasing the level of investment, thereby increasing our fiscal capacity, thereby contributing to prosperity and economic growth. Growth of increased wealth, and growth of wealth, quality of life are all factors that must be considered.

As we proceed through the afternoon, one needs to take some time on these options. The government side has an option to offer the House with regard to Motion No. 932. That option is to look further into the possibility of engaging with and connecting with another well-established credit union system and having that system look to the Yukon as a possible place to establish further, thereby growing said credit union's overall area of potential, but also growing its fiscal foundation.

I think if you look at some of the credit unions that are established today in provinces like British Columbia and Alberta, that fiscal foundation is measured by billions and billions of dollars. That is what might make this a success for Yukon — that fiscal capacity being linked to establishing a credit union here in the territory, built off what I would call a very solid fiscal foundation.

So going forward, Mr. Speaker, the government would like to amend Motion No. 932 and the amendment would be dealing specifically with this option. It would deal specifically with how, by the establishment of a mechanism that comprises representatives of government and of this House, labour and business — indeed, what has already been established, as I understand it, in the Yukon is a mechanism of credit union representation here in the territory — and look at and report on introducing options that we could proceed with.

Amendment proposed

Hon. Mr. Fentie: I move

THAT Motion No. 932 be amended by deleting the word “introduce” and replacing it with the words:

“establish a committee comprised of representatives of the government, the Official Opposition, the Third Party, labour, business and Credit Union Yukon to study and report on introducing” and

by deleting the period after the word “territory”, replacing it with a semi-colon and adding the clause: “and

THAT the proposed legislation make provision for allowing a credit union incorporated in a province to operate in Yukon subject to the same limitations and protection of members and other investors as under the law of the province in which it is incorporated.”

I will table the amendment now, Mr. Speaker.

Speaker: The amendment is in order and it reads as follows, as moved by the Premier:

THAT Motion No. 932 be amended by deleting the word “introduce” and replacing it with the words:

“establish a committee comprised of the representatives of government, the Official Opposition, the Third Party, labour, business and Credit Union Yukon to study and report on introducing” and

by deleting the period after the word “territory”, replacing it with a semi-colon and adding the clause: “and

THAT the proposed legislation make provision for allowing a credit union incorporated in a province to operate in Yukon subject to the same limitations and protection of members and other investors as under the law of the province in which it is incorporated.”

Hon. Premier, you have about eight minutes, 51 seconds left, please.

Hon. Mr. Fentie: Let me first, with the House's indulgence, read the motion with the amendment as part of the motion. It would read:

THAT this House urges the Government of Yukon to establish a committee comprised of representatives of the gov-

ernment, the Official Opposition, the Third Party, labour, business and Credit Union Yukon to study and report on introducing legislation in the Legislative Assembly by November 30, 2010, enabling the establishment of credit unions in the territory; and

THAT the proposed legislation make provision for allowing a credit union incorporated in a province to operate in Yukon subject to the same limitations and protection of members and other investors as under the law of the province in which it is incorporated.

Now, first let me point out that in the late 1990s this House did debate a motion regarding establishing a credit union. The motion was — although I can't remember if it was unanimously supported — I know the motion received a great deal of support by many members of this House and that was the end of it. Nothing ever transpired. I would submit that was because there wasn't clearly established in the motion a way to proceed. I think what we have done today with amending the motion as tabled by the Member for Whitehorse Centre is to add the provision that establishes the way to proceed.

So with the support of the members of this House on the amendment, the motion as amended would then provide us the means. That said, Mr. Speaker, we also have to recognize that it establishes a clear option on what we are going to focus on in terms of the type of legislation the Yukon would need to establish an entity or credit union that would be — as I had said earlier — defined as a satellite or an arm of an existing and established credit union, an institution that has solid fiscal foundations in place, has a large membership, has a view of expanding its borders and investing further in other jurisdictions, which does happen in today's Canada.

In this country, that type of initiative is happening as we speak and, done right, the Yukon could be the beneficiary, as stated, of further investment, growth, increased fiscal capacity and so on. So all of this is to the benefit of Yukoners, and we must keep in mind the public interest and what is in the best interest of the Yukon public and its future.

So, Mr. Speaker, I will leave it at that. The amendment, as proposed, changes the motion only in terms of establishing the means and the way forward and is focused on a specific concept of the creation of a credit union and what type of legal or legislative mechanism we would need to do that.

Thank you.

Mr. Hardy: Now, I'm going to take this as a friendly amendment. We have thought about this. We've discussed it and though it's not ideally what I would like to see there's no context of offering all the services and ensuring that all the profits and decisions that are made stay within the Yukon with Yukon people and Yukon control — it is a first step. I would like to consider this as a first step. There has been a lot of discussion around cautionary procedure, historically what happened 29 years ago — it's a long time ago — and not having that repeat itself. To a certain degree, this would meet some requirements for people who wish to be a member of the credit union, in that it would allow them to have some services up here from a satellite or branch of a credit union, whether it's

out of British Columbia or Alberta, or whoever wants to set a branch up here.

Ultimately I would still want to see, at some point down the road, the establishment of a full Yukon credit union. I believe with the knowledge we have from the past and the expertise we have today, we could have a very well-established local credit union, staffed by very competent people and owned by the people of the territory. That would be, to me, the successful outcome of this motion we've brought forward, as well as the amendment that has been proposed by the Yukon Party, or Yukon government.

Saying that, we will accept the amendment as presented, and hopefully this is a first step forward to full establishment of the Yukon credit union.

Hon. Mr. Rouble: I rise today in support of this friendly amendment that does take some action in addressing some of the concerns that I had around this issue. The Member for Whitehorse Centre also raised an interesting issue when he made his initial comments about how he was part of an Internet-based, or virtual type of bank — or, in this case, a credit union.

I am familiar with other Internet banking processes and dealing with a virtual bank and using my existing bank machine to access something like an AIG account. I am wondering, in this age of technology and given the amount of interconnectedness that we have, if a virtual presence of a credit union would actually meet the needs of many people, if we can use this service to tap into things like mortgages or lines of credit or other functions and other services that are provided by the credit union to its members. The member opposite is shaking his head so —

Some Hon. Member: (Inaudible)

Hon. Mr. Rouble: Apparently it is close but doesn't quite meet the needs. There are some times, too, where one does like to sit down face-to-face with one's banker and have a discussion about issues. I know having that personal relationship can be a very important part of the process and that is one of the key selling points or key attributes of credit unions. Credit unions are typically smaller or have a more friendly approach, are more community focused in some of the strategic directions of the locally based credit union and some of the decisions they're making.

It does open up the issue now of cross-border credit unions. It does beg to me the question of protection for outside-of-jurisdiction credit union members, about how that's protected.

One of the key factors I've found in my brief research on credit unions has been the legislation that enables and then the legislation that protects the clients. As we discussed earlier, banks in Canada are federally regulated. There is federal legislation that provides the banks charter and then there is the Canada Deposit Insurance Corporation, which provides protection to Canadians who have funds deposited in Canadian banks.

Credit unions, though, and trust companies are the jurisdiction of the provinces or territories, which then puts the onus on the province or territory to regulate those types of industries

and also to ensure the appropriate protective mechanisms are in place. We have heard about the failure of Yukon's previous credit union, and I believe that this is a case now of "once burned, twice shy" and wanting to ensure that appropriate mechanisms, regulations, practices, and insurance is in place.

I've looked at a couple of other jurisdictions. The legislation in Saskatchewan, under their *Credit Union Act*, which they revised in 1998, has three key functions. It establishes credit unions, which provide financial and other services; they must operate on cooperative principles; they must use "credit union" or "caisse populaire" in their name; they are responsible for the prudent management of their businesses, including compliance with legislation, standards of sound business practice; and they are governed by locally elected boards of directors.

The Saskatchewan legislation also creates the office of the registrar of credit unions, which is owned by the individual credit unions. Credit unions own the Credit Union Central of Saskatchewan, which acts as their trade association and primary service supplier. Central provides liquidity management for the Saskatchewan credit union system and participates in the national liquidity program for credit unions. Information about Saskatchewan credit unions may be found at a website that I can share with members later.

The registrar of credit unions established as a regulatory policy works closely with the credit union system to regulate credit unions, maintains a register of all credit unions, monitors the handling of consumer complaints, may conduct investigations to ensure compliance with the act, may issue compliance orders and may delegate certain powers to the Credit Union Deposit Guarantee Corporation.

The act also creates this Credit Union Deposit Guarantee Corporation which is another totally separate entity. The Credit Union Deposit Guarantee Corporation guarantees members' deposits in Saskatchewan credit unions and establishes standards of sound business practice in consultation with the registrar and monitors and enforces prudent business practices.

This is quite the situation where Saskatchewan's legislation not only enables for the operations of credit unions, but also provides significant regulation and policy regarding how they are established, including the creation of the Credit Union Deposit Guarantee Corporation, which is similar to the Canadian Deposit Insurance Corporation.

I am a bit concerned about this type of regulatory process. I'm also concerned, for a jurisdiction of our size, about many people it would take and the costs involved in establishing such a regulatory regime for this type of entity. I don't want members to get me wrong. I think credit unions can be a very valuable tool, but this could be a case where, once we start to look at it, the regulatory burden — if I can use that phrase — would be significant. Costs to Yukon and ultimately to taxpayers to maintain these types of entities, or if the costs were passed on to the clients of the credit union, may make the credit union cost-prohibitive.

I then went looking at some of the other jurisdictions — some of the small jurisdictions — because often in our legislation we have more in common with jurisdictions like P.E.I., with a population of under 200,000 people, and tried to look at

how they go about addressing many of their issues. They have the same challenge that Yukon does in that it has a small population base, but it still has the significant responsibilities of a province, and therefore, these regulatory processes as well.

Prince Edward Island — which has a very well-developed credit union presence — I believe that about half of the population of P.E.I. are members of credit unions, so it's very well-established there. They also have a credit union deposit insurance corporation statute and the objects of that corporation are: to guarantee the repayment of deposits held with credit unions in accordance with their legislation to adopt measures designed to obviate or minimize the risk and the size of claims against a credit union; to stabilize credit unions in financial difficulties; to provide assistance from the credit union deposit insurance fund to such credit unions for the purpose of continuing operations or the orderly liquidation of operations; to administer the credit union deposit insurance fund for the purpose of this act and to invest the same in such securities as the board may determine, and where so appointed by the minister to supervise and administer the business and affairs of a credit union; and to purchase all or any of the assets and assume all or any of the liabilities of credit unions that are in the process of liquidation, where so appointed to act as the liquidator of a credit union to assist credit unions to avert or alleviate financial difficulties by advising them on their business practices.

So, other jurisdictions have established in legislation insurance protection corporations to provide that backstop, to ensure that some of the challenges that occurred, apparently, here in the past — and I'm not familiar with all of the rationale as to the failure of the previous credit union or how Yukoners were protected from it. But I certainly want to see, if credit unions are allowed to operate in Yukon, that there is appropriate protection in place to protect Yukoners, certainly as depositors and as members, but also the Yukon government. One of the ways that we can do that is to follow the process of regulation in the establishments of these other corporations as other jurisdictions have done.

I now start to caution that the cost of establishing some of these regulatory mechanisms may be too large for a jurisdiction of our size to absorb, but I don't know the answer to that. That's where I'm glad to see that we will establish a process and work with a variety of different stakeholders and experts in this issue to look at these issues and to address some of these concerns to find out if the concerns that I have expressed today are indeed founded and to identify if the regulatory authority provided in other jurisdictions would extend into Yukon, so that those different Outside entities could indeed operate here in Yukon and that their level of protection would continue to extend to protect Yukoners and Yukon.

I think it's also a good idea to bring in a broad mix of witnesses on this issue and I believe that's outlined in the amendment as well. So I think that this is a good step to increase the competition in the territory, to increase the access to capital and bring a greater credit union presence into the Yukon if indeed it cannot be accommodated by some of the current business practices that many of the different credit unions are doing today.

It continues the dialogue and discussion on it and, as the Premier commented when the amendment was put forward, it also provides for a mechanism to report back, so that this isn't an issue that would simply leave this Legislative Assembly, never to return.

So I think the amendment that has been proposed is a very strong and supportive one, and one that strengthens the original motion, while maintaining the intent of it. It allows for a greater presence of credit unions in the Yukon, which I believe is the objective of the member opposite while, at the same time, ensuring that the appropriate protective mechanisms are in place to ensure the security of Yukoners' deposits and Yukon's interests.

So, for those reasons, I would encourage all members of the Assembly to support the amendment that has been tabled.

Mr. Mitchell: On the amendment, I'll just speak to it briefly. I think that the Premier laid out the reasons for it.

I'm not totally convinced when the Premier said that there was no mechanism in the original motion; the mechanism was that the Yukon government would introduce legislation. The Yukon government does that all the time and presumably they do their due diligence in so doing as they have in the other half-dozen pieces of legislation that we still have before us now. However, since the Member for Whitehorse West, whose motion this is — sorry, Whitehorse Centre, excuse me, Mr. Speaker — is prepared to support it and feels that it will fulfill his desire to see progress and to move forward — albeit not necessarily at the same pace — we, too, will support the amendment to the motion and the motion as amended.

I do have a couple of questions. The Member for Southern Lakes raised a couple of issues in terms of the pros and cons of the cross-border idea. He did speak to the possibility of a virtual credit union and if that would suffice. I know that the Member for Whitehorse Centre indicated that wasn't sufficient to what he was looking to see on behalf of the people who are interested in seeing credit unions gain a toehold here.

But the Member for Southern Lakes did raise a couple of substantive issues that I would like to hear some answers to and perhaps if others speak to it the Premier could clarify it, since it was his amendment. One would be the issue that banks are federally regulated and as the previous speaker, the Member for Southern Lakes, indicated, credit unions are provincially and territorially regulated. It raises the question of how this would work within Yukon if we were to be sort of having a satellite branch of another jurisdiction. Each time that jurisdiction changed their legislation, would Yukon have to table amendments to legislation here to adjust to that, for example? Also, would we have to choose one particular jurisdiction like Alberta, which has been mentioned, and B.C. today during debate, or could Yukoners have the option to join a credit union from the jurisdiction of their choice? Would that involve a more complicated legislative solution within Yukon? So those are questions that I would look forward to hearing answers to.

I'm not certain what the wording in this amendment — when it says, "representatives of the government, the Official Opposition, the Third Party," and then it goes on to talk about

other groups. The other groups are obviously not members of the Assembly. I understand from side comments made by the Member for Whitehorse Centre — that he takes this to mean representatives chosen by or designated by the three parties. I would just like clarification. Is that what this wording means, or did the Premier, in amending it, mean a representative MLA from each of the caucuses — just so we know what it is we're voting on?

Finally, the Premier referred to this as being a very specific action, but when I read the amendment, it appears to be less specific than the original motion, in that the action item seems to be to study and report on introducing legislation in the Legislative Assembly by November 30, 2010, that would enable the establishment of credit unions. Then it talks about what the proposed legislation should do. It should make provision for allowing a credit union, incorporated in a province, to operate here. I don't believe the motion, as amended, actually continues to require this Assembly to table such legislation, but rather, it says that we've created a group to study and report on introducing legislation and, if that's the case, then there's no guarantee left that anything will happen beyond a report. For example, we had a committee that went out and studied electoral reform a couple of years back. They came back and reported and that's where it ended, so I would look for clarification on that.

In any case, based on the same logic as the Member for Whitehorse Centre, we will support it as a step in the right direction in progressing toward enabling credit unions to be established here, but I'm not at all certain that what we're doing today will actually have that result.

Amendment to Motion No. 932 agreed to

Speaker: Is there any debate on the main motion as amended?

Hon. Ms. Taylor: I would also like to extend my thanks to the Member for Whitehorse Centre for bringing forward this motion today. A lot of debate and discussion has already occurred on the floor this afternoon so I won't go over what has already been said, but there have been a number of key points.

First of all, I would like to thank the Member for Whitehorse Centre and others who have contributed to the history of credit unions in the country and very much so to the territory itself — what in fact worked and what in fact contributed to its ultimate demise.

I would also like to thank the Member for Watson Lake for bringing forth the motion which, as the Member for Whitehorse Centre has already stated earlier this afternoon, is really the first step in looking into the matter and taking action on the matter at hand.

I know that we've already spoken to the amendment that the Member for Watson Lake brought forward, but the motion as amended does speak to making provision for enabling or allowing credit unions, which are already incorporated in a province, to operate in Yukon and so forth. I think the point is that this amendment to the motion, which has already been supported and adopted by the Legislature, does provide the

ability for the Legislature to review the matter at hand and that is to take a look at other existing credit unions.

We just heard this afternoon, to the extent possible, a number of credit unions are already established throughout the country, including Prince Edward Island and other provinces, to say the least. It certainly depends on which area one goes to. In P.E.I., for many different reasons, the popularity and the uptake of credit unions there has been extensive, whereas in other jurisdictions perhaps not as much.

I was actually very interested to hear from the Member for Whitehorse Centre — I believe he quoted up to one-third of individuals in Canada belong to a credit union. That speaks volumes to the usefulness and popularity of credit unions in the country. I think there are a number of good reasons for establishing a credit union in the territory. In fact, one was here in the Yukon up until about 1980 when in fact it did close.

We've talked about security, the need to protect security of Yukon's deposits and the protection of Yukon taxpayers. Of course, that has to be first and foremost. But the role of credit unions in providing an alternative form of financing is also very genuine and very attractive, in terms of providing more opportunities and more options available to businesses, homeowners and each and every individual residing in the territory. We very much support that, in being able to further develop our economy, and the social fabric of our territory, whether it be in research, innovation, arts, culture — we've talked about tourism — mining, and many other industries that continue to flourish in the territory today.

There have been a number of identified challenges that may exist — cross-border challenges. We've talked about perhaps having virtual services being made available. These, in fact, will be discussed in this exercise, in taking a look at what the Member for Whitehorse Centre has already coined as providing an initial first step in taking it further to make the end goal. This is really necessary.

I think we do have to take a look at what did succeed in the Yukon. We also have to take a look at what didn't succeed but, more importantly, how we actually move the intent forward of establishing a credit union.

In terms of a committee being comprised of representatives of government, that certainly comprises a wide array of representation throughout the Yukon. To be clear, there is a time frame associated with that to report — I believe it is in October 2010 — that is a good thing as well because, as has already been referenced, I believe a similar motion at one time or the other was put on the floor of the Legislature and was debated some many years ago. It really didn't go anywhere.

This amendment brings further clarity to the motion at hand. I just want to thank the Member for Whitehorse Centre in bringing it forward. I believe that any time we can bring forward ideas we learn from past experiences and build upon what did not work and use it as an opportunity to move that forward.

I think this would very much be a welcome addition to the territory — but again, ensuring the security of our own taxpayers every step of the way.

I will conclude my remarks — be very brief, because I believe there has been a lot already said on the floor of the Legis-

lature, and the last thing I'd hate to do is to repeat the words of others. So, thank you.

Hon. Mr. Hart: I'm very pleased to rise today in the House to debate this motion, as amended. I would like to just quickly go over a brief history. I think it was discussed earlier by the Member for Whitehorse Centre on this issue. I, too, have some direct involvement with regard to the credit union back in 1979-80, when the Royal Bank took over the facility. Of course, I was on the receiving end, so it was a little bit different, but obviously it's there.

I'd also like to, just briefly, touch base on credit unions in general and basically give a quick overview of credit unions throughout Canada. I think the member opposite provided a pretty good breakdown of what happened to the credit union and its status back in the late 1970s. So I'll leave it at that.

Credit unions in Canada can trace their roots to the first *caisse populaire*, formed by Alphonse Desjardins, in Levis, Quebec, in 1900. Today there are more than 1,000 credit unions and *caisses populaires* in Canada, many with multiple branches. They hold combined assets of well over \$200 billion and serve 10.8 million members. This is the information I have, Mr. Speaker, as of December 31 of last year.

Throughout history, the Canadian credit union system has maintained a record of sound, prudent financial management, solid growth and uncompromising service to credit union members. I think the member opposite stressed this in many of his points.

The B.C. Central Credit Union was created in 1944 as the financial facility for British Columbia's fledgling credit union system and later became its payment clearinghouse. In 1970, a merger with the British Columbia Credit Union League brought trade association services under its umbrella and in 1996, B.C. Central's name was changed to the Credit Union of British Columbia.

The Ontario Credit Union League was formed in 1941 to meet the needs of the province's credit union, and in 1990, its name was changed to the Credit Union Central of Ontario.

On July 1, 2008, the two Centrals combined under the name of Central 1 Credit Union. The combination involved Credit Union Central of British Columbia acquiring the assets and assuming the liabilities of Credit Union Central of Ontario at fair market value. Central 1 is owned primarily by its member credit unions — 48 in British Columbia and 148 in Ontario, as of July 1, 2008.

Shareholdings in Central 1 reflect the proportional assets of member credit unions in each province, with B.C. credit unions holding 69 percent of voting shares and Ontario credit unions holding 31 percent of the shares.

Central 1's role is to serve as central financial facility, liquidity manager, payments processor and trade association for the provincial credit union systems of B.C. and Ontario. It provides leadership, advocacy, technology and a range of support services in fulfillment of these key functions.

Central 1 employs more than 475 staff and holds more than \$7.5 billion in assets, as of July 1, 2008. The credit unions of the British Columbia credit union system includes 48 independent credit units with over 370 branches and about 500

ATMs in 140 communities — including 41 where there are no financial institutions — again, a point that the member opposite brought up.

B.C.'s first credit unions were established in 1939 and today they form western Canada's largest financial network. B.C. credit unions serve over 1.6 million members, about one-third of the provincial population. Together, B.C. credit unions hold over \$42 billion in assets as at December 31, 2007.

B.C. credit unions employ about 8,000 British Columbians. B.C. credit unions are democratically controlled through more than 400 locally elected directors. Over the past five years, B.C. credit unions have returned an average of \$35 million annually to members in dividends and patronage refunds. B.C. credit unions are commonly based and open to all. In recent years, about one-third of British Columbians who changed financial institutions have switched their business to the credit unions. B.C. credit unions provide a fully competitive range of financial and investment products, strengthened by an overarching commitment to quality service.

What is the credit union difference? The fundamental operating principle of every credit union is democratic ownership. Every member holds shares and has a vote in the decision-making process. Credit unions are locally based and locally owned. They play a key role in fostering community development and local socio-economic well-being — again, Mr. Speaker, a point brought forward by the member opposite within his motion.

In Alberta, the Alberta credit union system is made up of 48 credit unions and more than 700,000 Albertans and credit union members. Credit unions provide full-time employment to about 2,800 Albertans. Credit unions provide a full range of financial services in person and provide a worldwide web of 240 banking machines. Combined credit union assets in Alberta reached almost \$15 billion in 2007. Over the past five years, over half of the yearly earnings were returned to members in the form of shared dividends and patronage rebates, unique benefits available to only Albertans who are members of this credit union.

In the big picture, Alberta's credit unions are also part of a larger, national network. Nationally, nearly 526 credit unions and caisses populaires provide services to over five million members and have combined assets of approximately \$99 billion — that's \$99 billion.

Those are impressive numbers that speak to the vitality and strength of the Canadian credit union movement. Canadian credit unions also belong to an organization called Credit Union Central, located in every province. These Centrals provide credit unions with corporate financial services and development support. Functions include research, development and implementation of a variety of services ranging from marketing programs to communications, to information services, to financial and banking services, to government relations and strategic planning. The central organization also provides important links to the provincial and federal governments and to national cooperatives, including the Credit Union Central of Canada, which is the national trade association and is located in Toronto, Ontario.

Credit Union Central Alberta Limited is located in Calgary, Alberta. Credit unions are also part of the worldwide network that operates under a common set of international co-operative guiding principles. The World Council of Credit Unions operates as a worldwide representative organization of credit unions and similar financial institutions. The mission is to be the world's leading advocate, platform and development agency for all credit unions.

Also, Alberta has what is called the Alberta Treasury Branch, which is another form of banking institution available to Albertans. It is a Crown corporation and is operated and owned by the Province of Alberta. It only operates within Alberta itself. It also serves approximately 700,000 people and provides employment to approximately 5,000 individuals.

With regard to the amended portion of the motion, I would just like to touch base a little bit. To ensure the safety of all Yukoners with regard to the credit union, and given the past history with the unsuccessful credit union, I think we have to look at that as past history. Also, British Columbia has had several credit unions that failed in that process. I think it is important that be taken into consideration also; thus I feel the amendment is appropriate and does provide us with a great deal of flexibility in working with a larger corporation or credit union that could come in and set up a facility here in Whitehorse. Not only that, we would have the expertise in developing the credit union and installing the appropriate individuals to operate the facility so that it could take place here in Yukon.

I believe it would be a very important aspect and would provide very important first steps to get the credit union established and get working so that it's on sound footing to move forward at a later date where it could be situated with more Yukon control and go forward. So I support this motion and I hope the members opposite do also.

Mr. McRobb: I'll be quite brief. I've listened to previous members this afternoon. I'd like to thank the Member for Whitehorse Centre for bringing forward this motion and for the amendment that it appears everybody will support. Mr. Speaker, I'm just wondering, if we're all in support of this motion, why the need to talk about it at such length?

If we can conclude discussion on this motion and bring it to a vote, then of course we can advance to the next motion on aboriginal languages.

Thank you.

Hon. Mr. Kenyon: I appreciate the comments of the Member for Kluane but somehow I seem to remember that any time that was suggested in the other direction, that he was not an ardent supporter of that thought.

I would like to get a few comments on the record and a few myths and misconceptions and this sort of thing on credit unions. I have had experience with credit unions. I have been a member of one. I certainly have a bit of knowledge in that direction.

Some people felt at the time that I was involved that credit unions don't pay taxes. Of course, that is really quite not true. They certainly do pay taxes — that includes property, local

taxes, local improvement taxes, employer taxes. The difference is that because credit unions are not for profit and return profits back to the members or customers in great rates and low fees, they are really fairly exempt from federal income tax. That is the one place really where the myth grew but otherwise no, they're certainly subject to all other taxes.

A lot of people felt, when I was involved, that "I just went to that building instead of that other building and really credit unions are just like banks." While credit unions do provide a lot of services the banks offer, the core values are quite different and the Member from Whitehorse Centre is 100-percent right on that — regardless really of the size or the offerings. You're not just a customer, you're an owner, you have a vote in the direction and, because they're not for profit, usually you get things back in terms of great fees and rates and such. One problem that I had at the time — and I would caution people at the time to be aware of it, but I understand that that has greatly changed in the not-so-small number of years of that involvement — is that I took out a mortgage with a credit union that had a restriction on membership being only college and university employees. When it came time to sell the property, I found that I had a mortgage that really I couldn't do much to transfer. That really isn't a problem for the most part now, but it is something for people to be cautious of. That brings back another myth — that you have to work for the right employer or belong to a union or something like that and, again, that has changed dramatically. There will be a charter in terms of the membership and the so-called common bond that people must share to have that membership. It could be where you live or where you work, or something like that. That's always a possibility.

But really the good news is that there are so many different types of credit unions out there now that you can pretty much find one that you can get involved in. I know of the two in previous lives that one was the college and universities credit union, and I lived down the street from the police credit union. But again, there are a wide range of activities now, so you can get away from those restrictions.

Getting back to the tax thing, a lot of people felt that credit unions had a distinct advantage because of their tax-exempt status and actually there is no such evidence to that. Even as credit unions grow, banks have enjoyed record profits. Some of the statistics I think members have already put on record, of how much money the average credit union has in its back pocket, so to speak, of reserves — you don't need a PhD in economics to look at the record profits where some of the major banks now are making hundreds of millions if not billions of profit — it's quite a different scenario.

It's interesting. One statistic that I stumbled into: credit unions held two percent of the financial assets — that was 10 years ago — and today, it's roughly 2.1 percent. So, really there is not a huge difference. It's probably just a much better way to go for the better rates and to have a say in what is being done.

Some people feel that there is a difference in regulation, in terms of credit unions versus banks, and that too, really, is a myth, because they have to comply with the same regulations

that the banks do. In fact, to ensure safety and financial soundness, in many cases they face more restrictions than banks in the investments and loans that they can make. So that's actually a good thing.

Some people feel that you have to pay a membership fee to join a credit union. In fact, no, that is also quite a myth. The reality is that some banks have restrictions where you have to have a minimum amount for deposit, but that is often only \$5 to \$25, and you forget that that is money on deposit. You get it back when you close the loan or terminate the membership.

So we've mentioned some of the differences between the banks and the credit unions. It's an interesting theory, and I think the amendment sort of captures the degree of safety that I think a lot of people would like, and yet would make this available to them. As some of the members have pointed out, it's more than possible to move on from there if things are working well.

There was an incident in the Yukon that has made some people nervous, but that doesn't mean that it shouldn't be looked at now. I think, certainly, in that case, we would support that. On some of the things — again, with the credit union, what do they do with their profits? Well, in some cases, for instance, a certain percentage interest rate increases the reward on savings accounts balances, whereas you might pay a certain amount for a loan to a bank; in addition you might be paying maybe a couple points less than that. So, there's a wide variety on that, which you can use.

The membership benefits, I think, really do outweigh a lot of things. I think there would be a lot of people up here who would use them. It still requires, as I said, security for loans. They are still subject to all those things, but again, it's working for a common goal, rather than working for a common employer.

I think many members today have actually referred to the fact that it really is a personal decision. It is a personal decision. You are a member not a number. You have a say. Some people feel that is a very good thing, and some people look at it and wonder if they are one of 3,000 members if they really have much of a say. I would submit that you do, but it is a personal choice in terms of how it is run and the kinds of services that you have.

I know in another example from previous lives that when I had a good business and worked for a major employer and had rental properties and this sort of thing, I actually got some nice invitations for dinner at the bank manager's house. It was rather amazing when we got rid of the rental properties and the loans for the business were paid off — gosh, all of a sudden I didn't get many invitations anywhere. All of a sudden I was kind of low on the totem pole on that. That is where you do feel the effect of the personal attention versus the attention to the fact they've got your money.

There have been a number of surveys done that have shown that credit unions have outranked banks in areas that have them — and that goes over several decades.

One research firm asked people to rate the financial institution on value delivered and service provided, and credit unions were at the top of those surveys for both. Other surveys have

found that credit unions score the highest for satisfaction and customer loyalty because, again, you have the feeling that you're a part of it. So it really is good for the community. They employ large numbers of people. They support larger numbers of individual jobs, as opposed to part-time versus full-time. The total impact is significant, and it stays local. I think the Member for Whitehorse Centre mentioned that, and it's very true that it all stays local and doesn't flow away from the community. It is a way of making a difference in the whole scheme of things.

With those comments, I certainly am in support of this and would like to give other members a chance to speak as well. Thank you.

Mr. Nordick: It gives me pleasure to speak to this motion, as amended. This motion debate reminds me of a conversation I had with a constituent at one of my barbecues this summer. The constituent is a business owner in Dawson City. He brought up the idea of a credit union in the Yukon. At that time, I mentioned to him that I would look into it and discuss it with my colleagues.

It is pretty timely that this motion comes to the floor of this Assembly today. The constituent of mine was wondering, how do young people in rural Yukon get mortgages? How can we make it easier? How can we make rural Yukon succeed better? It's not that banks aren't doing the good work they're doing now; it's just that, how can we make that better? A suggestion he brought forward was the idea of a credit union.

I also wanted to clarify something that the Premier said earlier today when he was discussing the debate that took place on a very similar motion some time ago. On February 25, 1998, a very similar motion was put on the floor of this Assembly by the member opposite, the same mover of the motion today. It was unanimously supported. A government private member put a motion similar to this on the floor and it was unanimously supported, but nothing happened. Two years — I believe that government was in power for at least two years and there was a question posed two years later in Question Period to the leader of the government that asked how far we have come on that unanimously passed motion. The leader of the government at the time said, "We're still looking into it." Well, lo and behold: 2009 and another motion has been put on the floor.

We could unanimously pass that motion or we could amend it and actually have a plan on how to proceed so we are not debating this 10 years from now and wondering what happened. That is why this motion as amended is timely. It gives us direction on how to proceed.

Mr. Speaker, a credit union could be a valuable tool and I believe it could be a great asset for Yukoners, but we need to be careful. We don't want to repeat what has happened in the past and have Yukoners and taxpayers on the hook if something like this were to fail.

Mr. Speaker, I believe there were 2,700 members who transferred to a bank. The Yukon government and taxpayers were on the hook for over \$1 million. Mr. Speaker, this jurisdiction we live in — the Yukon — is a small jurisdiction. I am not sure it justifies a credit union of our own. I think it is great

to kind of piggyback on the success stories of credit unions south of us.

Mr. Speaker, credit unions in Canada come in all shapes and sizes. In almost every community you find one very open to you — which is southern Canada. In almost every community there are credit unions.

For example, credit unions are the first choice of a significant percentage of the population in B.C. The same holds true in other regions and is growing, coast to coast. Why? Because credit unions are operated democratically and owned by the customers as members.

Mr. Speaker, one in three Canadians are members of credit unions. They are young families, empty-nesters, people with chequing accounts and mortgages and people with retirement investments. They are tradespeople and professionals. Mr. Speaker, the list goes on of people who are part of credit unions down south.

By the early 1940s, credit unions had been established across Canada primarily by groups of Canadians with common work or life interests, and the rest is history. The system now employs over 24,000 people, it serves more than five million members and manages assets of over \$114 billion. Credit union history is founded on their philosophy that everyone deserves an opportunity to achieve financial well-being, that working together cooperatively works for the good of all and giving back to communities is a key rationale for profitable operations.

You know what some of their principles are? Voluntary and open membership, democratic members' control, member economic participation through member shares, autonomy and independence, education and training, cooperation among cooperatives, which is basically working together locally, regionally, nationally and internationally, and one of the most important things — concern for the community.

Around the world, the international credit union system is comprised of 91 countries, 43,000 credit unions, and 136 million members. By using the successes of credit unions in southern Canada and building upon that, that might be a way that we could proceed to ensure that there are more options for Yukoners to establish credit. So a constituent, like mine in Dawson City, might have another option to receive a mortgage to build a home in rural Yukon.

I know that the Member for Kluane mentioned that we should get on to a vote and move on to the next motion. It was very important that I actually got up and spoke to this motion today because this is an important issue. I do have constituents who have talked to me about this, and I'd like to thank the member opposite for bringing forward this motion today. I encourage all members to support this. That way, we can see action on this file, as opposed to discussing it again 20 years from now.

Thank you, Mr. Speaker.

Hon. Ms. Horne: I do support this friendly amendment. As part of our philosophy and our platform, we have consistently worked to review and revise government contract regulations, policies and procedures to ensure they are fair and

consistent to the local business community and to reduce red tape. We recognize that part of growing a healthy, vibrant business community includes removing unnecessary restrictions when it comes to accessing capital. I think everyone on this side of the Assembly appreciates the importance of connecting Yukoners with capital.

We have some very encouraging economic data coming out. Under our watch, Yukon's economic vital signs have recovered and are once again growing. We stemmed the tide of our population exodus as we recently set a record for the highest population in a century. The Yukon's population figure for June 2009 was 34,157 people. Our labour force is 17,600, of which 16,200 were employed. This gives us an unemployment rate of 7.4 percent.

Our unemployment rate is just over a full percentage point below the national average of 8.5 percent. Unlike other parts of Canada that have been experiencing considerable economic inactivity, I would like to report an excerpt from a statistical update I received from the Yukon Retail Estate Survey, Second Quarter, 2009, put out by Executive Council Office's statistics branch. It reported that the total value of retail estate transactions in the Yukon for the second quarter of 2009 was \$49,925,200. This is an increase of \$1,282,200, or 2.6 percent, compared to the second quarter of 2008, which was \$48,643,000.

The Yukon second quarter value for 2009 is the highest second quarter on record. In Whitehorse for the second quarter of 2009, the value of transactions totalled \$43,051,100. This is an increase of \$4,364,400, or 11.3 percent, compared to the second quarter of 2008, which was \$38,686,700.

Whitehorse's second quarter value for 2009 is also the highest second quarter on record. In the rest of the Yukon, the value of real estate transactions for the second quarter of 2009 decreased by \$3,082,200, or 31 percent, compared to the same time period in 2008. In 2008, Yukon retail sales were \$530 million.

Speaker's statement

Speaker: Order. The member has spoken for about three and a half minutes. I'd like the member to speak to the motion, as amended. The statistics are interesting, but we're speaking to the motion, as amended. The Minister of Justice has the floor, please.

Hon. Ms. Horne: Thank you, Mr. Speaker. There are 427 credit unions in Canada. They note they have 1,733 locations, more than five million members, \$117 billion in assets, \$106 billion in deposits, \$97 billion in loans and 24,000 employees. Together, they are the second largest lender to small business in Canada.

It was that last line that caught my attention. I am sure most of us in this room have mortgages. Think about that fact for a moment. Most of us would never be able to afford a property and a house out of pocket unless someone were there to lend us money. Most of us would not be in a position to own our own homes. I really appreciate the importance of connecting consumers with credit.

Capital is the lifeblood of any business, but especially small business. Without adequate financing through microloans, commercial lending or investment capital, most entrepreneurs cannot start a new business or grow their existing companies. Obtaining capital can be especially difficult for startups and small firms that often lack the years in business or established credit history financial institutions may require prior to lending. This means, Mr. Speaker, that the overwhelming majority — roughly 97 percent of Yukoners employed in business — work for companies of fewer than 100 employees. The ability to provide Yukoners with more choices and more options to access capital is very appealing.

The Yukon government, through its Department of Economic Development, provides a range of support programs to small- and medium-size businesses, including the strategic industries development fund and the enterprise trade fund.

This government has turned the economy around. A credit union may be one more way, one more choice, for Yukoners when it comes to accessing capital. Yukon offers a very competitive tax regime with no territorial sales tax and numerous tax incentives for small- and medium-size business. We also have the Yukon venture loan guarantee program. Yukon was built on and still remains predominantly serviced by small- and medium-size enterprises. Today's business people recognize the available labour pool in Yukon communities, the infrastructure in place to service development and the favourable tax regime as successful components in building a healthy return on investments.

Finding options and choices for Yukoners is very important. A credit union may be one more way, one more choice for Yukoners.

Thank you, Mr. Speaker.

Mr. Inverarity: I've been listening all afternoon to the debate that has been taking place on this particular motion. I found it quite interesting. I was here, too, in the 1970s when the credit union was actually operating. I have to say it received a lot of positive things in the mid-1970s. Certainly there were a lot of people in the community who supported it and tried to support it. There were only a few banks — a couple in town, as I recall. Borrowing was difficult. I think interest rates at the time were upward in the 12 to 13 percent range which, by today's standards, was certainly high. Things turned around dramatically, as you recall, Mr. Speaker — assuming you are of the same age I am. In the early 1980s, they went up to 22 percent in some cases.

However, as I recall, as the 1970s started to wind down, there was increasing stress put on the local credit union. There were articles in the newspaper about how well or how poorly it might be doing and clearly there were issues around whether or not the credit union was going to continue to survive. As we know, there was an issue that came to the forefront and, in fact, the credit union did not survive.

In retrospect, that was 29 years ago but the trouble started much before 1980 and was causing some problems. I think it is now time — I know we get into a habit around this Legislative Assembly of talking about the past too much, perhaps, in some

instances. While it is important to dwell on the mistakes of the past and certainly we learn from history, a long enough period of time has transpired that would allow us to reconsider this particular issue.

I have to say I wasn't aware and it came out in some of the comments that this issue was brought before the House in the 1990s and there was some debate and unanimous support and it was worthwhile hearing; however, as indicated, the government decided that they would not do anything. That causes me a little bit of concern because we might fall into that trap again today, Mr. Speaker.

I would hope we don't. Therefore, I was a little concerned when the motion was tabled and debated in here. I listened to it with great concern. I don't think that, overall, it was that significant in terms of changing the intent. I believe the Third Party has said they're prepared to accept it as a friendly amendment and we went along with it too. However, it does bring up some issues that were raised a little earlier about what is the action item, what is the intent and in what time frame will that come up. When I look at these types of things that create committees and create more debate around how we're going to proceed, it's important that we do stay focused on what it is we're attempting to do. When I look at the original motion and the discussion there about creating legislation to establish credit unions in the territory, that's pretty specific. When I look at the amended motion that was passed, they're talking about establishing a committee comprised of representatives of government, the Official Opposition, Third Party, business and labour. I'm wondering who will be leading this particular committee.

I assume by our standing rules it will be the government because they're named first in it, and I hope they will proceed quickly in getting this committee established and staffed. I'm not sure if it will be coming in before the Standing Committee on Appointments to Major Government Boards and Committees for final approval, but that's neither here nor there, I suppose, at this point in time.

The important thing is that they get back to us quickly and in the spirit, certainly, that the Third Party brought forward, that by November 30, 2010, we will actually see some real action and some legislation brought before this House that establishes this credit union, or gives people the ability to establish a credit union within the Yukon. I think after 30 years, it's time to give it another try. That's not to say that we haven't been well-served by our current banking institutions and we realize that we can then proceed. The banking institutions have been there helping us; certainly, they have carried their workload over the past 30 years and are to be commended.

So in closing, I don't want to speak a long time, Mr. Speaker, but I believe that certainly we support this amended motion and we're looking forward to seeing some real action on it coming forward and that we will have legislation on the floor by the fall of 2010.

Thank you.

Speaker: If the honourable member speaks, he will close debate. Does any other member wish to be heard?

Mr. Hardy: You know, there has been a lot of discussion today, and I think it's an extremely important subject. It's about finance and the opportunity for people to have a choice in how they manage their money, where they put their money, what access to money they have, how they become part of a community, how they have a say within their community, and how they have a say within the institutions that hold their money and often make a lot of money and often make a lot of profit off their money.

There have been concerns raised. I believe that the motion we brought forward originally was very clear. However, as I said, I will accept the motion on behalf of the NDP — pardon me, the amended part of the motion — with the understanding that this is with the discussions, as I indicated earlier in a question a couple of weeks ago about credit unions, that I would be talking to the Premier about this. It is important that we understand that we are going to move forward and introduce legislation to make this happen. The wording, as it is said in the amendment, is based on a couple of things. From my understanding, it says to report on introducing. I read that as the government will work on doing legislation with the committee that will be struck of representatives from the government, the Official Opposition and the Third Party so that, when we come back in the fall, we will be bringing forward legislation.

If we do not, then this has been a complete failure once again. It is my understanding that this is the intent of the Yukon government's motion to achieve and, based upon that, there is a degree of trust that that is what will happen. We will have representation on this committee named by us — the NDP — to ensure that this does happen and moves forward.

We also requested that labour, business and Credit Union Yukon — the organization that has been formed — also have representation on the study and reporting of an introduction of this type of legislation that we want to see. We felt that it was important that the public and the businesses are part of this committee that will be formed. We believe that out of that we will get some kind of legislation that allows credit unions to be established in the territory and ultimately, possibly in the near future after that, to allow any credit union, whether it is a homegrown one or not, to have a place in the Yukon once again. Every other province has one and they don't have this problem. It is time we move on. It is time we grew up.

I'm tired of the talk that 29 years ago there was a problem, therefore we all have to run around on tip-toes about this. Nonsense — 29 years in the provinces proved that credit unions are successful and I've heard everybody in this House talk about how great credit unions are. We in the Yukon can do this. We're not incapable, so let's not resurrect the past as something that we have to be afraid of. We have long moved beyond that kind of stuff.

The wonderful thing about a local credit union is that it creates employment in the territory. It puts people to work. It gives a face to finances that often we don't have. We can go to the bank — I have a bank account here. I have to. I also have a credit union account that's down in British Columbia. I was a member of the credit union that closed and in 1957 when it was formed, that was the year I was born. I feel like I've been at-

tached to this thing forever — there's also another thing: the Member for Klondike brought up the fact that in 1998 there was a motion that was brought into the Legislative Assembly that was unanimously accepted — it was brought in by me.

You know, I really want to move off the subject. I would just like to be able to walk down to my credit union, walk in the door and say hi to Mary, or John, who sits behind the counter, and say, "I'd like to borrow \$20,000," walk out with the money and life goes on, and not have this debate go on and on and on. It has been part of my life for far too long.

However, saying that, I do love democracy, and I love the fact that we can laugh at ourselves once in awhile in here too.

In accepting this amendment, I actually feel like I'm a beggar on the street, with his begging bowl, hoping that I'll get some scrap that I can move forward with — or I could eat. The amendment is kind of a scrap to me because, ultimately, my goal — and I think it is the goal of many people in the Yukon — is to have their own credit union. However, if this is the best we can do at this time, it's a lot better than what we did in the late 1990s, when we all agreed to it and never did a thing. Unfortunately, I remember that all too well. I was in here.

So, saying all of that, I'm glad we're moving forward.

I'm trusting that this amendment will bring forward legislation in the fall of next year. I'm trusting that the people on the committee will work in a constructive and positive manner to bring about that kind of legislation that can be introduced and that we will all unanimously support it, just as we are today — to support that legislation that's brought forward that will at least open the door a little bit to have credit unions back in the Yukon.

Thank you.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Fentie: Agree.

Hon. Mr. Hart: Agree.

Hon. Mr. Kenyon: Agree.

Hon. Mr. Rouble: Agree.

Hon. Mr. Lang: Agree.

Hon. Ms. Horne: Agree.

Mr. Edzerza: Agree.

Mr. Nordick: Agree.

Mr. Mitchell: Agree.

Mr. Elias: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Mr. Hardy: Agree.

Mr. Cardiff: Agree.

Clerk: Mr. Speaker, the results are 14 yea, nil nay.

Speaker: The yeas have it. I declare the motion carried.

Motion No. 932 agreed to as amended

Motion No. 848

Clerk: Motion No. 848, standing in the name of Mr. Elias.

Speaker: It has been moved by the Member for Vuntut Gwitchin:

THAT this House establish an independent, non-partisan Commission on Yukon Aboriginal Language Protection;

THAT the Commission be comprised of four Yukon residents, one to be appointed by the Premier, one to be appointed by the Leader of the Official Opposition, one to be appointed by the Leader of the Third Party and a non-voting chair to be appointed by the Standing Committee on Appointments to Major Government Boards and Committees;

THAT the Commission receive the views and opinions of Yukoners, interested groups and stakeholders on legislative amendments to Yukon's *Languages Act* that include granting rights in respect of, or providing services in any Yukon aboriginal language in addition to the rights and services provided in the act, as well as other matters;

THAT the Commission shall develop terms of reference before receiving the views and opinions of Yukon residents;

THAT the *Languages Act* be referred to the commission;

THAT the decisions by the Commission require majority support by members of the commission;

THAT the Commission report to the Legislative Assembly no later than two years after its establishment:

(1) its findings relating to public opinion for the protection of Yukon aboriginal languages;

(2) its recommendations regarding what form legislation implementing changes recommended by the Commission should take;

THAT in the event the Legislative Assembly is not sitting at the time the Commission is prepared to report, the Chair of the Commission shall forward copies of the report to all Members of the Legislative Assembly and thereafter make the report public;

THAT the Speaker of the Legislative Assembly shall table the report in the Legislative Assembly on the first sitting day following the release of the report;

THAT during its review of public opinion on legislative options for Yukon aboriginal language protection, the commission shall be empowered:

(1) to invite officials from the Government of Yukon, the Government of Nunavut, the Government of the Northwest Territories, the Government of Canada and Yukon First Nations to appear as witnesses;

(2) to invite such other persons as it deems necessary to appear as witnesses on technical matters;

(3) to invite a designate of the Yukon Native Language Centre to appear as a witness;

(4) to hold public hearings, meetings with individuals, focus groups and town-hall type meetings; and

(5) to print such papers in evidence, as may be ordered by it; and

THAT the Commissioners shall be paid a daily honorarium;

THAT the chair shall receive an additional honorarium; and

THAT the Clerk of the Legislative Assembly be responsible for providing the necessary support services to the commission.

Mr. Elias: Thak ts'o' drin gwiinzii. Shoo zrii Darius Elias vaa zhii. Old Crow gwats'at ih lii. Shitsuu Mary Ka'shii vaazhii; viti' chan Elias Gwatlatyi' vaazhii. Nohwhah ts'o' gee khii yah een jit gwiin th'oh shoh ih lii. Nohwhah ts'o' gee khii ya een jit gwiin th'oh shoh ih lii. Noh kwah aan joo yeenoo dai' gwats'at goo gin jik gun niin ji' ih dhat. Jii kat thak noh khween jit, yeendoo eenjit srii nee gwi gwii aii. Mahsi' cho.

Mr. Speaker, the Gwich'in language I just spoke is considered endangered by the Government of Canada. I put this motion forward because I believe our territorial public government should have a significant role in the preservation of the rich linguistic tapestry in our territory.

The commission I suggest be created by this Legislature would be comprised of four Yukon residents or experts in language who would be appointed by each of the party leaders. The commission would conduct research, analysis and a public consultation campaign about the revitalization, promotion, preservation and protection of our aboriginal languages over a period of two years and would present its findings and recommendations to this Assembly.

I believe this motion is important because it asks everyone to step back and take an analytical look at the state of our aboriginal languages in our territory, because so often the debate gets bogged down to who is doing what, who is providing what dollars and who has responsibility for doing what — which ministry, government or organization. By examining only the trees or just parts of the trees, we will surely miss seeing into the entire forest and the wider context of this language issue in our territory.

The proposed review of our territory's aboriginal languages can help achieve a much-needed and balanced view of the field we are dealing with and the players involved. The motion is important as well for its potential examination of the Yukon *Languages Act* which is in need of review in light of current realities. It is clear that all our territory's aboriginal languages are endangered to various degrees. Mr. Speaker, a strong cultural and linguistic fabric can only contribute to healthy, resilient Yukon communities.

Language is one of the most tangible symbols of a culture and a group identity. When these languages vanish, they take with them unique ways of looking at the world, a precious heritage, a land-based identity, found nowhere else in the world.

The preservation of the ancient aboriginal languages of the Gwich'in, the Tlingit, the Kaska, the Tagish, the Han, Northern and Southern Tutchone and the Upper Tanana deserve a priority amount of attention in future Yukon government budgets, as they are in danger of becoming extinct.

Ownership of these languages belongs to the speakers, and the speakers are becoming very few and far between. I do not view the possible work of the commission as an easy task, by any means. We have eight aboriginal languages, 14 Yukon

First Nations that the commission will work side by side with. Eleven of the First Nations are self-governing, but really they're all self-governing to me.

We have a territorial government with various responsibilities and the federal government also has a role. We have northern strategy monies that have been allocated to adjust some specific language concerns in our territory, like the Revitalizing Culture Through Story and Technology that was recently funded \$345,000, led by the Department of Education. This initiative will be using DVD technology to produce high-quality teaching resources to introduce students to First Nation culture while reviving storytelling traditions.

Another important initiative to mention under the northern strategy is Walking Together to Revitalize and Perpetuate Yukon First Nation Languages, which was funded for \$150,000. The status of this initiative is close to completion; again led by the Department of Education. This initiative was to build upon, strengthen and optimize existing language revitalization and maintenance efforts.

Under the New Horizons, there is the Southern Tutchone bicultural program, the ongoing delivery of programs from the Native Language Centre, our education system, and our First Nation governments. So there are dozens of programs already going on.

It's important to mention the ongoing financial transfer agreement negotiations between the self-governing First Nations and the Government of Canada that are outstanding and, obviously, the vast array of public views and opinions that exist out there on this topic.

So, you see, we have a lot of parties that need to address this language process and a lot of important issues that require a forensic-like examination. We need to sit down together and find out what needs to be done. It's the territorial government that can play an important leadership role, alongside our First Nations in this territory, to get the commission up and running because it's crucial that this Legislature and our public government also do their work and complement the ongoing work of the Department of Education, First Nation governments, the federal government, the Yukon Native Language Centre, and so on, because at the end of the day, the number of fluent speakers of our aboriginal languages in this territory is decreasing steadily. I and many Yukoners would like to know why. What is working out there that we're doing and what is not working out there that we're doing.

Mr. Speaker, language is obviously a shared responsibility in our territory. Self-governing First Nations have the legislative powers to provide aboriginal language programs and services for their citizens. Recognizing that fact, this does not prevent the Yukon government from suggesting modifications to the Yukon *Languages Act*, to preserve, develop and enhance aboriginal languages in the Yukon.

To me, an aboriginal language protection commission that is successful in making language protection recommendations to this House will also substantially assist in all three levels of government deciding on how to share this responsibility, now and into the future.

Nunavut, for instance, passed its new language legislation in 2009.

It revised its *Official Languages Act* to provide more accountability and introduced the *Inuit Language Protection Act*. The new *Official Languages Act* was ratified by the Canadian Senate on June 11, 2009. Creating two distinct acts is a creative way to recognize the linguistic duality of Canada, while recognizing also the specific legislative needs of the Inuktitut language. There is no reason why Yukon can't be as creative to help preserve Yukon's aboriginal languages.

In the Northwest Territories' *Official Languages Act* they recognize Chipewyan, Cree, English, French, Gwich'in, Inuinnaqtun, Inuktitut, Inuvialuktun, North Slavey, South Slavey and the Tlicho as the territory's official languages. This act has been revised many times since it became legislation. Section 35 of this act asked for a revision in 2008. The Northwest Territories government responded to that revision with committee findings on October 15, 2009. The Yukon *Languages Act* was passed in 1988 and it has never been revised.

It is my understanding that the aboriginal languages services, a unit of the Executive Council Office, was abolished in 2008. The Yukon government has yet to announced how it will fulfill its responsibility under the Yukon *Languages Act* now that the aboriginal languages service is no more.

The federal funding formerly administered by the aboriginal languages services has now been funnelled directly to First Nations and that is great, but the Yukon territorial government still has obligations to fulfill under the Yukon *Languages Act*. It is important to mention that once the work of this commission — if created — is complete and recommendations are received by the House, the government of the day can deal with First Nations and the federal government on a government-to-government basis at the Yukon Forum, for instance, and deal with the recommendations.

I am going to take this opportunity to go over some of what I've heard from Yukoners over the summer and fall and since I introduced the motion on the first day of the sitting.

Some Yukoners have said that maybe it is time that the Yukon had an official languages act, complete with a language commissioner and a minister responsible for our official languages — that would include French, English and all of our eight aboriginal languages in the territory; an official languages board; in addition to this, an aboriginal languages revitalization board, comprised of representation from all the linguistic groups and the Yukon aboriginal linguistic groups especially; implementation of language nests, like the Maori do in New Zealand and have invested in and been very successful — this was mentioned to me a few times; providing oral and written government services in aboriginal languages may be required in some situations across this territory as essential services, like in justice, health and education.

Technology could play an important part in language revitalization, especially for the youth. I spoke with some tribal representatives on the coast of Alaska. What they're working on is downloading their traditional languages to technology the youth use, like iPods and video games and computers, so the youth can learn from the technology that exists now. I found

that comment from a Yukoner particularly interesting to look into.

Another comment was that we find out what exactly the Yukon First Nation issues are, the francophone and English-speaking issues are, with regard to language revitalization, and what members of the public want. At the same time, we have to be cost-conscious.

That was very important and that was stressed. Those are some of the things I've been hearing from Yukoners and what other jurisdictions have addressed when trying to secure a future for their aboriginal languages. The Yukon *Languages Act* was proclaimed in 1998 and the public has the right to use English, French, or a Yukon aboriginal language in this Legislative Assembly and the right to use English or French in any Yukon court. Actual language legislation is an important part of any effort to revitalize aboriginal languages in Canada.

Language legislation sends a strong message that aboriginal languages are valued by the territorial public government and encourages young people to use them. The Yukon *Languages Act* states in section 1(3): "The Yukon recognizes the significance of aboriginal languages in the Yukon and wishes to take appropriate measures to preserve, develop, and enhance those languages in the Yukon."

The act does not, however, provide an accountability framework like a language commissioner or annual reports to be submitted to this Legislative Assembly or a mechanism to create a partnership between the Yukon government, self-governing First Nations, other First Nations, the federal government and Yukon citizens to achieve its goals.

One specific point to make about the current *Languages Act* is that, to me, it is not clear what "appropriate measures" actually means, and it appears nobody is responsible to define it. Some of the research and analysis that an independent language commission could address are our language indicators and trends in individual Yukon communities, like seeking out the data with regard to what is the first language learned at home in a childhood and still understood — or "mother tongue". "Home language" refers to the language most often spoken at home. "Ability to speak" means that a person is able to carry out a conversation in that language. One of the most important tools for assessing the vitality of a language is language shift. Language shift measures the number of speakers a language loses or gains over time. It measures the ratio of home language to mother-tongue languages. So, you see, data like this is very important, and a commission formed by this House could gather such data for all Yukoners.

The commission could also analyze language vitality protection and revitalization, and make recommendations as to the approaches required here in the Yukon to ensure the long-term strength and existence of First Nation languages. Ten Canadian aboriginal languages have gone extinct in the last 100 years.

That's very important for me to put on the floor of this House. It's very evident that that could happen in our very own territory. That's the reason why I bring this motion to the floor.

In 1998, Statistics Canada issued a special report on aboriginal languages, based on 1996 data. Out of 50 aboriginal languages in Canada, only three — Inuktitut, Cree and Ojibwa

— were flourishing, with over 20,000 who identified an aboriginal mother tongue.

Speaker: Order please. The time being 5:30 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

Debate on Motion No. 848 accordingly adjourned

The House adjourned at 5:30 p.m.