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**Wednesday, March 30, 1977**

Speaker: The Honourable Donald Taylor

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Whitehorse, Yukon Territory  
March 30th, 1977

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

*(Prayers)*

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

#### ROUTINE PROCEEDINGS

**Mr. Speaker:** Are there any documents?  
The Honourable Member from Klondike?

**Mr. Berger:** Yes, Mr. Speaker, on the point of privilege, I would like to apologize to the Honourable Minister of Local Government. I stated on March 22nd, that somebody in the Department of Local Government sent a letter to a person up in Dawson, saying why don't they move to Whitehorse, there's lots of land available. Well, it wasn't true. I checked on the letter and that statement was never made.

#### TABLING OF DOCUMENTS

**Mr. Speaker:** Are there any documents or correspondence for tabling this morning?  
The Honourable Minister of Local Government?

**Hon. Mr. McKinnon:** Mr. Speaker, I have for tabling a White Paper on paving of the Alaska Highway and Haines Road.

**Mr. Speaker:** Any reports of Committees?  
Introduction of Bills?  
The Honourable Member from Pelly River?

#### PRIVATE MEMBERS' PUBLIC BILL: INTRODUCTION AND FIRST READING

**Mr. McCall:** Yes, Mr. Speaker. I move, seconded by the Honourable Member from Klondike that Private Members' Public Bill entitled "An Ordinance to Amend the Labour Standards Ordinance" be now introduced and read the first time.

**Mr. Speaker:** Could I have the seconder again?

**Mr. McCall:** The Honourable Member from Klondike, Mr. Speaker.

**Mr. Speaker:** It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Klondike, that a Private Members' Public Bill entitled, "An Ordinance to Amend the Labour Standards Ordinance" be now introduced and read a first time.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** I shall declare the Motion as carried.

*(Motion carried)*

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

**Mr. McCall:** At the next sitting, Mr. Speaker.

**Mr. Speaker:** Are there any further Bills for Introduction?

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

#### NOTICES OF MOTION

**Mr. Speaker:** The Honourable Member from Mayo?

**Mr. McIntyre:** Mr. Speaker, I give Notice of Motion regarding the appointment of Messrs. Olsen, Stutter and Eiland to the Yukon Territorial Water Board.

**Mr. Speaker:** Are there any further Notices of Motion or Resolution?

The Honourable Member from Kluane.

**Mrs. Watson:** Yes, Mr. Speaker, I'd like to give Notice of Motion, seconded by the Honourable Member from Ogilvie, that the Green Paper on Bid Differential be moved into Committee for consideration.

**Mr. Speaker:** Are there any Statements by Ministers?

#### STATEMENTS BY MINISTERS

**Mr. Speaker:** The Honourable Minister of Education?

**Hon. Mr. Lang:** Mr. Speaker, I would like to welcome four students from the Grade Nine Social Studies class of Jeckell School here this morning.

*(Applause)*

**Mr. Speaker:** Are there any further Statements by Ministers?

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

#### QUESTION PERIOD

**Mr. Speaker:** The Honourable Minister of Local Government?

**Hon. Mr. McKinnon:** Mr. Speaker, on March 24th, the Honourable Member from Whitehorse South Centre asked a question concerning road construction on the Howards Pass area and the answer is as follows: Canex Plaser has made application to the Department of Indian Affairs and Northern Development for financial assistance to build an initial access road from Milepost 116 of the Nahanni Range Road to Howards Pass in the Northwest Territories. The road, if constructed, Mr. Speaker, will be situated entirely in the Northwest Ter-

ritories. It is unknown at this time if the application has been approved. The company indicated in their application that they proposed a construction start in June of 1977, the completion of the 50 mile road in October of 1978.

**Mr. Speaker:** The Honourable Member from Kluane?

**Question re: T.B. Testing**

**Mrs. Watson:** Mr. Speaker, I have some written questions for the Minister of Health. My questions are, I keep asking these questions because there are quite a few people in my constituency quite concerned about the results of some of the T.B. testing. And my first question is: how did the health authorities determine to whom T.B. skin tests should be given?

What is the cause for persons to have a strong tuberculin reaction to skin test?

Does such a strong reaction mean they have been in close contact with an active case of T.B.?

And, if an active case of T.B. is identified, is the person put on medication and left in the community or are they put on medication and isolated?

**Mr. Speaker:** The Honourable Member from Whitehorse Riverdale?

**Question re: Financial Agreement with Federal Government**

**Mr. Lengerke:** Yes, Mr. Speaker, I have a written question. I would imagine it would be directed to the Commissioner, at least the Treasury Department. I understand that payments made to Yukon by the federal government under the terms of the Financial Agreement with respect to the Corporate Tax Revenues are usually done so on the basis of estimate.

I also understand that Corporate Tax Revenues are much higher than estimated for Yukon and I am led to believe that the Financial Agreement contains no formula for adjustment in this respect.

If this is the case, does Yukon get short-changed? What is the difference between the estimated and actual figures? If in fact this is happening, will the administration undertake to correct this situation?

**Mr. Speaker:** Are there any further questions? The Honourable Member from Klondike?

**Question re: Amendments to Game Ordinance**

**Mr. Berger:** Yes, Mr. Speaker, I have a question for Mr. Administrator this morning. On January 4th, the Yukon Outfitters' Association submitted a draft of amendments to the Game Ordinance and in it they stated that they would like to see it implemented in the Game Ordinance before the start of the hunting season. I was wondering if the administration ever considered that, those amendments?

**Mr. Speaker:** Mr. Administrator?

**Mr. Gillespie:** Mr. Speaker, we are in the process of examining amendments to the Game Ordinance at this

point in time, but no conclusions have been reached, but, in addition to that, I should say that we will take - that we are taking into account the recommendations of the Outfitters' Association.

**Mr. Speaker:** The Honourable Member from Whitehorse Riverdale?

**Question re: Questionnaires to Senior Citizens**

**Mr. Lengerke:** Mr. Speaker, I have a question for the Minister of Health. The other day the Minister reported that, I may stand to be corrected here, but we had approximately 600 senior citizens in Yukon and that questionnaires had been sent out to them. I've had a number of calls in the last couple of days advising me that, by older persons, advising me that they did not receive the questionnaire and that on phoning the Department, that the Department didn't seem to know anything about the questionnaire as well. My question this morning is: Is the Department informed of the questionnaires that went out? And have in fact all senior citizens been sent them?

**Mr. Speaker:** The Honourable Minister of Health and Welfare?

**Hon. Mrs. Whyard:** Mr. Speaker, I'm sorry the Honourable Member assumed from my remarks that there was a questionnaire. There is no questionnaire, Mr. Speaker. What I reported to Committee or to the House, I've forgotten the context, was that members of the staff in the Social Welfare Branch are now conducting a person to person survey of senior citizens throughout the Yukon and they have already completed this survey in Old Crow and Dawson City and are moving on to other communities.

It is not a written questionnaire, Mr. Speaker, it is a personal interview with each person involved.

**Mr. Speaker:** The Honourable Member from Whitehorse Riverdale?

**Mr. Lengerke:** I must thank the Honourable Minister for that, that'll clarify that.

**Mr. Speaker:** The Honourable Member from Whitehorse South Centre?

**Question re: Hiring of a Law Clerk**

**Mr. Hibberd:** Mr. Speaker, I understand a law clerk is in the process of being hired by this government. I wonder if someone in the government then could just supply me with the information regarding his terms of reference of his hiring and how that competition is now progressing.

**Mr. Speaker:** The Honourable Minister of Local Government?

**Hon. Mr. McKinnon:** Mr. Speaker, we'd be pleased to do that for the Honourable Member.

**Mr. Speaker:** Any further questions? We will proceed then to Orders of the Day.

## ORDERS OF THE DAY

**Mr. Speaker:** There being no Motions or Public Bills, may I have your pleasure at this time?  
The Honourable Member from Pelly River?

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

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

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

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

*(Motion carried)*

*(Mr. Speaker leaves the Chair)*

## COMMITTEE OF THE WHOLE

**Mr. Chairman:** I call this Committee to order and declare a brief recess.

**Hon. Mr. McKinnon:** Till when, Mr. Chairman?

**Mr. Chairman:** Till 10:30 a.m.

*(Recess)*

**Mr. Chairman:** I call this Committee to order.

Jim Smith, the Chairman of NCPC is now with us as witness. Welcome, Mr. Smith, or welcome back, welcome home.

**Mr. Smith:** Thank you very much. This is a much more luxurious home than I was used to in the former times, Mr. Chairman.

**Mr. Chairman:** Mr. Smith, the concern of Committee was the problem for all Yukoners regarding power and power development was such that we felt you could attend before us and we could perhaps bring out in the open, certain factors concerning power development and power rates in the Yukon today.

For orientation I'll read the motion that Committee passed.

THAT the Chairman of NCPC be requested to attend before Committee of the Whole for the consideration of matters effecting the economy of the Yukon:

- (1) Power rates.
- (2) Plans for future power development;
- (3) The evolution of a Yukon Power Corporation;
- (4) Such other matters as Members may wish to inquire regarding Northern Canada Power Commission.

Perhaps we could start off, if the Members do have questions for Mr. Smith.

**Mr. Smith:** Perhaps it might help Mr. Chairman, if I just directed a few remarks towards the content of your motion.

The question of power rates I think that Honourable Members are aware that our application for changes in rates is before the Public Utility Board at the present time. I have along with me, Mr. Chairman, a copy of these rate proposals which I will gladly leave with your Clerk, in case the other Members have not -- you know, in case Members wish to refer to this at any time, if they don't already have this information.

These rate proposals were to come into effect on April 1, 1977. The next item here, the plans for future power development, I'm sure that Members will have considerable questioning on this, Mr. Chairman, but I would say that they very obviously fall into three distinct categories. Those things which are on-going, in other words the automatic increase that is given to electricity irrespective of any major activities that take place in the territory.

Secondly, those developments which may become necessary as a consequence of identifiable developments, say a specific mine or a specific project of that nature.

And then thirdly, long term, in other words, what is going to be done over the long haul.

The next item, the evolution of a Yukon Power Corporation, I think, is a matter of when, and not if, Mr. Chairman.

The next one here, such other matters as Members may wish to inquire regarding the Northern Canada Power Commission is a pretty wide open one and I was accused, for ten years, by all Honourable Members of never having satisfactorily answered a question when I was Commissioner; so I sincerely hope that after today's questioning is over with, that I will have refuted that past reputation and answer questions, a little bit more satisfactorily, Mr. Chairman.

I would say that I appreciate the opportunity of being here, before your body at the present time, because the economic future of the territory in which, you, as the elected representatives of the government of that territory and the public power body are very, very closely intertwined with each other, and the better we get to know what each other's problems are, the better we can cooperate with each other to attain the same identifiable ends without duplicating any efforts that either of us are putting forward because these efforts are very costly in this day and age, not only in time, but money.

The whole thrust of the Board and the management of the Power Corporation at the present time is to make it into a consumer oriented, cost-conscious utility, Mr. Chairman, and towards those ends, we are devoting our entire energies at the present time.

With that, I'm happy to do my best to answer any questions that Members have.

**Mr. Chairman:** Thank you, Mr. Smith.  
**Mr. McCall?**

**Mr. McCall:** Yes, Mr. Chairman, I would like to ask Mr. Smith a question. It's in reference to future developments. I was wondering if Mr. Smith could answer

one point. Have the surveys and studies been completed, and are we in a position at this point to consider a major decision by NCPC and maybe the federal government as to where the next major development is going to be. I'm talking about hydro-electric projects, or something along those lines.

**Mr. Smith:** Basically, Mr. Chairman, the answer to that question is no. To further expand the assessment of what should be developed in the form of power for the Yukon's future has not only got to look at hydro, but has to look at other potentials as well, particularly coal. Likewise, the extent to which this development might be considered is to a marked degree dependent upon government policies.

I'm sure that Members are well aware of the comments by the Minister in recent times, that a major statement concerning federal government policy, with regard to the North, will be made some time in the next few months.

I am likewise aware, as Members are, of the statement by your Commissioner that the wishes of Yukon, for its future, will be the subject of some type of public participation to be set up by the territorial government, and until these things are literally decided, the extent to which long term plans for power development in the Yukon can be finalized, are very limited.

The main thrust at the moment, as far as the Power Commission is concerned, on these long term developments, is to continue conversations with senior government which are going on at the present time, for adequate funding of these evaluations.

We are talking about major spending here and these evaluations, we have got to look to the federal government for the necessary funding for this. We are talking multi-millions of dollars here between the Yukon and the Mackenzie and we are likewise going to have to do this with the cooperation and the assistance of both territorial governments and other affected federal agencies. It is not something that the Northern Canada Power Commission can go it alone.

I would like to point out to the Members that if we are going to have future power developments that will have stabilized electricity costs as one of their major objectives, that this can only be done, not only within the confines of government policy but in the full knowledge that we have to have customers to sustain the capital costs that are going to be involved. Once again, we are back to how government policies will affect the establishment of further supplements to the mining industry, such as smelting; how government policies will look upon the possibility of a pipeline going through the territory, all these things are wrapped up in that package so that while, I am back again to answering the Honourable Member's question with the word "no", there is a lot of qualifications, only some of which I have touched upon in this answer.

I would like to further qualify this by saying that the Power Commission recognizes its responsibility in this area and it is active in conversations with senior government at the present time to come with a ways and means of exercising this responsibility in the most economical and the most thorough manner possible so that we are prepared for any, and all eventualities that will emanate as a consequence of government policies yet to be formulated or yet to be decided upon.

**Mr. Chairman:** Mr. McCall?

**Mr. McCall:** Yes, Mr. Chairman, I'd just like to single out one item. You, Mr. Smith, you informed us that evaluations are still being done and my next reference would be to coal deposits in Carmacks, the substantial coal deposits. The survey and the evaluation and assessment that is being done right at this point in time and through the summer, will this help to determine future effects as to power?

**Mr. Smith:** Mr. Chairman, it will have a very definite effect on them because if there is a resource here that can be developed and provide an economic source of fuel, very obviously this has to be a major consideration in the provision of future electricity requirements here in the Territory.

**Mr. Chairman:** Has there been exploration work as far as other deposits of coal in the territory?

**Mr. Smith:** Mr. Chairman, I am not in a position to, from memory, indicate this information, but a certain amount of work has been done. It was put together by the Department of Indian and Northern Affairs here a few years ago. I think that you will recollect that when Mr. Oliver was here with the Department that he was one of the people who was involved in that, but could I say that I believe that his was a theoretical evaluation based on geological information, not necessarily based on actual exploration of known coal deposits to the extent that those explorations are being conducted in the Carmacks area at the present time by the Anvil Mining Corporation.

**Mr. Chairman:** To your knowledge then, further surveys haven't been undertaken since that time?

**Mr. Smith:** Not that I'm aware of. There may well have been some done by private companies on other deposits. In fact, I believe that there was something presented here to the Legislature a few years ago on this matter that had been done by private interests, as to whether or not that was done to the extent that would permit a proper evaluation, I'm sorry, I don't know.

**Mr. Chairman:** Mr. Taylor?

**Hon. Mr. Taylor:** Yes, Mr. Chairman. I'd first like to say how pleased I am to see at the Bar of the House today, one who has been in the former House and, indeed, this House for many, many years and it's always nice to see Mr. Smith and particularly in his new role with NCPC.

I am concerned, Mr. Chairman, though, my question really relates to the development of the Yukon Hydro Corporation or Power Corporation and I'm very deeply concerned that at a time in the Yukon's history, which is now, when the economic future is not really that bright for Yukoners, and at a time when it seems our whole economic future depends on the development of hydro-electric energy with which to get industry going in the Yukon, that nothing seems to be emanating from the federal government through any of its agencies, and more particularly NCPC.

I think many times have risen in this House, Mr.:

Chairman, and I've spoken with great sincerity about the development of Yukon Hydro under the totally unfettered control of the administration and legislature and people of the Yukon. As I've stated, there is now a need and that need has developed perhaps in the last year or two.

The federal government don't seem to be giving that much response to the need. When we speak of new hydro developments, we see an immediate need, for instance, in the mining field, of some 80 megawatts of power in the Pelly/Yukon area, Mayo district. We see another immediate need for another 80 megawatts of power, perhaps supplied in the Frances Lake area, which could supply everything from the domestic needs of Watson Lake on through Canada Tungsten, the new development taking place at Howard's Pass to MacMillan Pass and down the North Canal Road.

Now, here's two projects, who can build them? I don't think in all the work I've done on it, that NCPCC are equipped to meet those needs. I think that it is at this point we must ask the federal government and NCPCC to assist us in establishing a Yukon Hydro Corporation. These are my thoughts on the question.

I would like to know, Mr. Chairman, what Mr. Smith's opinion would be in respect of how this Yukon Hydro Corporation could be established. He said in his opening remarks that it's just a matter of time. Perhaps, as I say, Mr. Chairman, this is the time, and I'd like to hear Mr. Smith's views on this. Whether he would agree that this is the time, and how do we go about establishing, in his opinion, the Yukon Hydro Corporation, and who will it be answerable to?

**Mr. Chairman:** Mr. Smith?

**Mr. Smith:** Well, Mr. Chairman, the inevitability of the establishment of a Power Corporation here in the Yukon would come under the direct control through legislation of this body, I don't think is in question.

People in other provinces in Canada have seen fit to either exercise this right, or choose not to exercise this right, and I think that the same choice should be available to the public of the Yukon. Should they wish to exercise that choice to do that, they should be permitted it.

I think the immediate question is that I think that you are entitled, if you choose to have your own corporation, to take over something that is at least well organized and hopefully profitable. In the sense of the word that it is not in a loss position, and likewise would be in a position, through installed capacity, to be taking care of the reasonable anticipated needs of the Territory for some years into the future.

I'm not aware of anyone on the Board of the Power Commission, or indeed the previous Minister and the current Minister, who have said anything that would indicate that indeed this should not be a long range aim. The question of timing, I think, is very important. At the present time, the Northern Canada Power Commission is working very hard to put its own internal house in proper order. I think this is the first thing that has to be done before any thought is given to splitting it up into two units, one for the Northwest Territories, and one for the Yukon.

Secondly, I think that there has to be, either in place or so close to being in place that there's no turning back on it, a program or a plan for the provision of electricity on

a fairly long-term basis to this area. Now the question I think raised by the Honourable Member is, to me, is when do I see these things actually coming about? I can't forecast the future any better than anyone else does, but I would be very hopeful that these things can be accommodated or accomplished within the foreseeable future and in this regard I would like to suggest that we're talking about a period of possibly five to seven years as being the foreseeable future. This may sound like a long time in the context of the comments from the Honourable Member from Watson Lake, but, Mr. Chairman, I think that when you consider what has to be done in order to accommodate these wishes, if indeed they are to be the wishes of the public of the Yukon, that this is about a minimal timeframe within which they can actually be accommodated.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Yes, Mr. Chairman, I have a question for Mr. Smith and I'd like to go back to the use of coal. And I've been disturbed for some time after reading the Task Force that was established to look into the operational costs of the Northern Canada Power Commission and one of the conclusions that the Task Force made was that given the evident advantage of hydro-electric plants in the territories, particularly in light of escalating fuel and labour costs for thermo plants, the NCPCC should consider the installation of small hydro-electric plants in isolated communities where practical. So somebody has made a very strong statement, given the evident advantage of hydro-electric over thermo plants. I wonder if Mr. Smith would have information to substantiate this type of statement that was made by the Task Force as a conclusion?

**Mr. Smith:** Well, Mr. Chairman, I think that they are expressing a philosophy there which, while in its generalized terms may be all right, I don't think that they are precluding, that indeed in some instances, fuels other than water would not be practical for generating electricity in the North.

I would likewise bring to your attention, Mr. Chairman, that this Task Force report was involving the length and breadth of Canada north of 60 and some of these statements may, in their application, be much more applicable in the Northwest Territories than what they are actually in the Yukon. But when you get down to evaluating a particular fuel and its usages, you have to bear in mind what is going on worldwide as far as fossil fuels are concerned. And I think that is really what the Task Force was saying, that in the context of the world wide depletion of fossil fuels, that wherever possible, the water should be getting used for the generation of electricity.

When they're talking about small plants, the only place that I am aware of, or I think there's possibly two locations in the Yukon, that bear investigation as far as small plants are concerned and one would be Dawson, which is very obviously isolated by geography for some time into the future from being connected to the total transmission system in the territory, and possibly at some location between Whitehorse and Teslin, where, if a small efficient plant location could be found, it would sustain a transmission line along the Alaska Highway to Teslin and feed Teslin and feed power back into the Whitehorse Aishihik grid.

Further to the Task Force on this matter, I think that they were particularly directing their attention to some of the locations in the Northwest Territories where communities are well established, where they are going to be there for, as far as we know, on an indefinite basis, and instead of continuing to import ever-increasing costly fossil fuels in the form - mostly in the form - of fuel oil, that consideration should be given to finding the capital monies to make it possible to put in small hydro-electric plants.

I trust, Mr. Chairman, that that brings that particular recommendation of the Task Force into its proper perspective?

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** Mr. Chairman, just one more comment on that subject. I think I was the Member who raised the question a couple of years ago regarding possible future exploration into the use of coal in Northern Yukon. I recall very clearly, Mr. Chairman, that the only reply I received from the Great White Father in the Far East was a copy of the geological survey report which had been done some decades ago on pocket deposits of coal. That study had not been done in the context of thermal use; it had been done on the basis of whether or not such deposits would ever be economic for export, et cetera, and I'm interested to hear that there may be some new up-dated studies being done from a different approach.

Mr. Chairman, could I ask Mr. Smith whether or not he can tell us what stage we're at with the development of a grid, which for many years has been waved like a magic wand before us on the subject of all these vast sources of hydro energy flowing back and forth across the Canadian North.

I recall some years ago, when I asked why the taxpayers' dollars were being used to build a powerline from Whitehorse to Anvil when we all knew that it had to be supplied by diesel, and the obvious thing for most people to do would have been to install the diesel at Anvil rather than spend hundred of thousands building the line. I was told that I knew nothing of these affairs and that someday hydro energy would come back across that line as it continued into the Northwest Territories and I should shut up and sit down and be a good girl. I am still waiting to see why these lines have to be constructed for hundreds of miles, Mr. Chairman, when there's no source of power at the far end.

I wonder if this is ever going to develop?

**Mr. Smith:** Mr. Chairman, I would like to suggest that if, indeed, it is to be a decision that the public of the Yukon wish to accept the establishment of a major hydro facility in the Territory, that one of the conditions that will be practically a firm pre-requisite of this establishment will be the ability to move the power into the grid system that presently exists in the Province of British Columbia and the one that I understand is being looked at in the State of Alaska.

It will not be possible to finance the size of a project to bring economic, firm-cost power over a long period of time to the citizens of the Yukon without that kind of ability to move the power when we do not need it into areas of our country where it would be needed.

While I'm not prepared to suggest that the comment

from the Honourable Member that there, the day was predicted when the powerline out to Anvil would be energized from both ends, I certainly would say that, ultimately, that tie-ins to southern grid systems would be a very necessary thing for the development of a major electrical generating system here in the Yukon and likewise the same prevails in the Mackenzie. It will be very necessary to be tied in to the Alberta Power Grid if, indeed, these kinds of benefits are going to be available in the Mackenzie District. The same thing will apply there.

Remember that, as a consequence of our climatic conditions here, our big demand period on electricity, with the kind of a load that we have at the present time, happens in the winter time. That's when our water is at a minimal supply and in the summertime when we have a maximum water our usage of electricity is minimal, based on today's loads.

I recognize that if we substituted industrial loads that took this power on a continuing basis 365 days of the year, this could change, but tie-ins to grid systems in other parts of our country and even for the potential for the possibility of exporting power are certainly considerations that will loom very high in the decision-making process, if indeed the public of the Yukon opt for a major generating facility to be built.

**Mr. Chairman:** Mrs. Whyard.

**Hon. Mrs. Whyard:** Mr. Chairman, could we get down to the crunch question now? Can Mr. Smith tell the people of the Yukon if or when we will ever get cheaper power, or must we reconcile ourselves to always looking at an escalating cost?

**Mr. Smith:** Well, once again, predicting the future is a very hazardous exercise, Mr. Chairman. And my batting average in the past has been so poor that I wouldn't want to impose my thoughts on the decision-making process here at the present time.

But, I think that, if we are unable to build a facility that is designed to accommodate our power needs for a fairly lengthy period into the future, that is capital intensive and, as a consequence of that, establishes as of day one what the cost of that power is going to be over the amortization period of the capital. The alternative to this will be, literally speaking, uncontrolled escalation of the power cost dependent upon factors over which we have no control.

**Mr. Chairman:** Mrs. Whyard.

**Hon. Mrs. Whyard:** Mr. Chairman, translated, that means that as long as we go on using diesel fuel and making the Arabs rich, we will have no control? We require our own source of hydro energy in order to determine cheaper rates?

**Mr. Smith:** That's exactly correct, Mr. Chairman.

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

**Hon. Mr. Lang:** Yes, Mr. Chairman. My concern at the present is, for the present, in the next two or three years, is in relation to our ability to provide power. At the present time we have two power projects in opera-

tion, the Whitehorse plant and the Aishihik plant.

My first question, Mr. Chairman, is - are the two plants being utilized to the maximum?

**Mr. Smith:** Well, when you ask are they being utilized to their maximum, this is almost a technical question, Mr. Chairman, which I would not attempt to answer, but I would say, from a layman's point of view, they are not really being used to their maximum at the present time but there are certain conditions that prevail that preclude the maximum use of these plants and it has to do with the variations in the loads that occur.

We have effectively 50 megawatts of installed hydro capacity on the Aishihik/Whitehorse system and I believe we have about 25 megawatts of standby diesel. So that, if you were to say were these plants being used to the maximum, you have to temper this with what the practical maximum is. The practical maximum has a lot to do with the amount of water that you have available at any time of the year, what your load is, when it comes, and a whole series of things that would tend to preclude anybody other than a technical individual giving you a proper answer to that.

I'll put it to you this way, that as far as the winter load, during this past winter, was concerned, I feel that, except for the possibility of having used the diesel engines for a very, very short period of time, that it was not necessary to use any significant amount of diesel peaking power this past winter.

This coming year, we don't anticipate any significant load growth in the Whitehorse/Aishihik system, in the fiscal year that starts, say, on April 1. Possibly in the years following that, normal growth of, say, 5%, we can accommodate some of that for possibly a year or two. I think, really, the future beyond the next year or two, to a marked degree, is going to be dependent upon the application of government policies as to whether mines are encouraged, whether smelters are encouraged, it depends upon these kinds of things. It's not anything other than almost a guessing game beyond, say, a year or two from now as to what the position will be with regard to the provision of adequate power, because you don't know what the load is going to be.

**Mr. Chairman:** Mr. Lang?

**Hon. Mr. Lang:** Mr. Chairman, I take it, from the witness's remarks, that our present ability to provide power precludes any more major development in relation to mines or any other major development taking place in the Yukon that would need power.

Now, this leads me to my next question: in relation to the opening remarks of the witness in relation to doing another study and evaluation of our coal deposits as well as hydro potential, what time-frame are we looking at? Because at the present time, as everybody knows, our economy is at a stalemate - nothing is moving, nothing is going ahead. I am just wondering, precluding government policy in relation to the Federal Government and the various policies they have, what time-frame would we be looking at in relation to doing a study and coming up with some recommendations?

**Mr. Smith:** Well, I wonder if I could preface my remarks here for just one thing here, Mr. Chairman, and that is that you have to take into consideration that

some of the present load may disappear. Mines have a habit of becoming worked-out. When the question is posed, we cannot accommodate any further mineral development that indicates that the present mineral developments are going to carry on ad infinitum, and that is not the case. Mines are ultimately going to become worked-out. I don't know what the future of the United Keno Hill Mines is; I don't know whether that hydro availability there will become free of the obligations of United Keno Hill Mines and at what time this will happen. I do not know, similarly with Whitehorse Copper, if indeed the power that is dedicated to that mine at the present time will become free in two or three or four or five years time.

So, with that in mind, and attempting to answer the question of the Honourable Member as best I can, my people tell me that from the day of decision-making until the day that you turn out power in a major hydro development, or what we would consider to be a major hydro development, you're probably looking at a period of at least five years, and I think that you should add another couple of years to that for all the things that have to be done prior to the decision being made, so that I would suggest that you're looking at seven years down the line to bring on line a major hydro plant.

I don't think that we should be kidding ourselves about this. I think that these are facts and you no longer just charge down the line and do these things without regard to the consequences of doing them. There's a lot of considerations that have to be given, not the least of which is where you're going to sell the power and where these customers are that intend to take this power and, of course, you need customers before you can even find the most friendly banker in Canada, namely the Federal Government, to fund these kind of projects, because you're talking -- you're in the big league.

**Mr. Chairman:** Mr. Lengerke?

**Mr. Lengerke:** Thank you, Mr. Chairman. I'd like to touch or go back to the future power projects for a minute. I've got some other questions as well.

It's all very well to be talking about grids and large power projects. It's very nice. But, you know, how do you mount them, and I'm sure the Chairman of NCPCC probably knows what I'm going to say next, is that you need a committed customer because we can stand here and talk about it for days on end. And who's the committed customer going to be? We've heard the fact that we may get some mines on stream, but I don't know of too many mines that will give you the commitment as to -- that they're going to buy a block of power until you have such a facility in place.

The other thing, of course, is that I see, and this is just in my observations, I see maybe a customer like Kaiser Aluminum, but again there is a question there -- when are they going to come on? Are they serious? The only one that I can see, Mr. Chairman, in the very near future may be the Alcan Pipeline. And I'm really wondering if the NCPCC people have looked at this possibility, if they've done any work with respect to this. And I'm suggesting that maybe the line, the pipeline, the pumping stations could be electrified, they could be run by electrical generation.

I'm just wondering, again, if the capacity that would be involved in such a project would be enough to initiate

a major project such as we envision for Yukon, that we can get into the grids and the rest of it?

The other thing, of course, is that it's all very well if NCPC were to be able to do this, but what kind of commitment, what kind of a guarantee have we done or should we be making as a government? I think that we've got a serious problem to look at here, something that we should maybe be making it a condition of the Alcan Pipeline going through, if in fact it does, that we say, okay, guys, written into that Agreement is that we're going to use electric pumping stations to do this.

I'm wondering, Mr. Chairman, if maybe the Chairman of NCPC could help me out a little bit there. Is this a possibility, is this the kind of thing he might envision or is this kind of a commitment that should be coming from the government?

**Mr. Smith:** Mr. Chairman, the Power Commission has had considerable conversations with the Foothills Pipeline people to explore the practicalities of the Pipeline, if indeed authority is granted to build it, to use electricity for the prime movers of the gas through the Yukon Territory. The reaction from the Foothills people has been quite encouraging. Their approach is that they see advantages far beyond that of which gas alone could provide in the Territory, if indeed they could provide a baseload that would permit a major power electric generating facility to be established here.

The approach that is being examined at the present time by the Northern Canada Power Commission and Foothills is that in that portion of the line traversing the Yukon Territory, initially gas-driven turbines would be used for the pumping process. And that when -- and they would be put in in such a manner that, when electricity was available, that electric drives would replace the gas-driven machines.

Now I cannot say with any certainty that, if the pipeline is built, this particular proposal will actually happen, but from the desirable point of view, and I think that this is really the question that the Honourable Member is placing, Mr. Chairman, this is the kind of a customer that may well make it possible for a major electrical generating facility to be put in place in the Yukon.

Their needs would be something in the neighbourhood of 200 megawatts and it would be a load which would be constant. In other words, they would draw this power on a constant basis. There would be no great fluctuations attached to it which would make it a very highly desirable load and, of course, the route of the pipeline and the transmission system that would be required to deliver the electricity to the pump stations would get us possibly within economic joining distance of the grid system in British Columbia and the proposed grid system in the State of Alaska that we earlier mentioned.

Likewise, this would provide a substantial enough customer with a guaranteed load over a long enough period of time that it may well overcome one of the major hurdles for the establishment of a large generating facility, namely the ability to finance it. If indeed the pipeline is approved and the kind of examination that the Power Commission is having with Foothills at the present time -- if indeed these things came to pass, the scenario as I have outlined it would, in the opinion of the Power Commission, be of tremendous benefit, long-range, to the Territory.

Remember, Mr. Chairman, that the costs of moving gas to consumers from this pipeline would be very, very high in relation to moving electricity to consumers. In other words, maybe the communities through which the pipeline went, it would be economical to supply them with gas, but those that were located several hundred miles distant in other parts of the Territory, it would not be economical to take gas to them, whereas, if you had a grid system as referred to by the Councillor Whyard, this would permit the benefits that accrued from the pipeline using electricity to be economically deliverable to many other citizens of the Territory through a properly established grid system.

**Mr. Chairman:** Mr. Lengerke?

**Mr. Lengerke:** Mr. Chairman, a question to Mr. Smith.

Do you then see the Alcan proposal as being really the first one that we could conceivably nail down to get us a major project? That's the only one that I can see in the mill right now. Is there anything else that you can see on the plate?

**Mr. Smith:** Well, not that I am aware of, Mr. Chairman, and of course, as I say, all these things including the pipeline are subject to Federal Government policy. They are nothing at all to do with the wishes or the non-wishes of the Power Commission. There have been conversations carried out with the Kaiser Aluminum people and how far they will go with their project, I don't know. Our comment to them was that it is up to them to find public acceptability for the establishment of such a facility, if indeed they can get that public acceptability, very well, we are interested in seeing if we can provide them with electricity. But that is as far as those conversations have gone, Mr. Chairman.

**Mr. Chairman:** Mr. Lengerke?

**Mr. Lengerke:** Thank you, Mr. Chairman. I thank Mr. Smith for those comments. I would hope that this House sees fit to give some direction to give some support to this kind of a project, because there are certain commitments that this government will have to make in order to certainly substantiate that position.

The question I have, I'm going to go back now to our matter before us today, the rates, the electrical rates that people are wondering about. As we've said earlier, it's very nice that we've had a good winter and that we didn't have too many problems with consumption, but I'd like to ask Mr. Smith if, in fact, he could tell me if the rates that they are now asking for, if they are granted, what sort of guarantees have we got that they are going to remain at that level for at least a substantial period of time, between the next three to five years? Is there any indication that they will remain as such?

My other question, Mr. Smith, I might as well ask it now, is that the Minister reacted somewhat to the Task Force Report and he said that he didn't really agree with it in total, and that he might be able to come up with some other alternates to it. I'm wondering if, in fact, are you aware of any other alternates, because I've been trying to get that answer from the Minister? Because I feel very strongly that the Corporation should not be looking for rate increases at this time until we are to-

tally aware of what the position of the Minister and the Federal Government is going to be with respect to alleviating some of the debt that NCPC is currently carrying, and I'd like to know exactly what interest rates they might be imposing on your Corporation.

I would think that those answers should be known first, before -- you can go out and ask for a rate increase because it may well be, Mr. Smith, that you may have to ask for a higher rate than what you're anticipating. I don't know, that's just my observation, and I wonder if you could maybe enlighten me on that?

**Mr. Smith:** Mr. Chairman, once again the Honourable Member is suggesting the forecasting of the future. This is not any easier to do with rates than what it is concerning demand, but the rate increase that we are asking for to come into effect on April 1, which is designed to accommodate our financial needs for fiscal 1977-78, is indeed designed to accommodate that period of time.

I would be something less than honest, Mr. Chairman, if I was to suggest that we will not be back looking for a further rate increase one year from now. As to what extent that rate increase will be, will be dependent upon a whole series of factors, not the least of which is the second part of the Honourable Member's question. And what the Honourable Member has said is the message that has been conveyed to the Minister's staff by the Minister. We have been working very closely with the staff in Indian and Northern Affairs, in Ottawa, with our people in Edmonton, to examine ways and means and further proposals that might be put before the Minister to help to alleviate the very problems that the Honourable Member has indicated. As to just whether we are going to be able to come up with anything that will be acceptable is something that I cannot say with any certainty at the present time, but I want to assure you, Mr. Chairman and Honourable Members, that this is actively being pursued at the present time and has been for the last several months. It is not something that is lying dormant.

**Mr. Chairman:** Mr. Lengerke.

**Mr. Lengerke:** Just one further question, Mr. Chairman.

Do I take it from that, Mr. Smith, then, that the Corporation, NCPC, are not in complete agreement with the Task Force report either?

**Mr. Smith:** Well, Mr. Chairman, I think if you examine the body of the Task Force report, you will see where some very firm recommendations were placed before the Board by the Northern Canada Power Commission. In the conclusions, I won't say that they were entirely neglected, but they were hardly totally incorporated, and I wonder if I could just leave the answer at that point, Mr. Chairman.

**Mr. Chairman:** Mr. Taylor?

**Hon. Mr. Taylor:** Mr. Chairman, we've drifted away from the debate that I wished to add to here a moment ago, but it deals with the question of the new development and I would like to know if at this time -- first of all, I'd like to know what Mr. Smith thinks or

considers to be a major development and what would be considered to be a minor development?

Then I'd like to know also if, at this point in time, NCPC are having any studies undertaken on their behalf, say by Montreal Engineering or Sigma or any of these people, are there any studies going on at this time related to new power developments by NCPC?

**Mr. Smith:** I wonder if I could answer the last question first, Mr. Chairman? The answer to that is yes. Montreal Engineering are presently conducting, here in the Yukon, an evaluation of all our presently-installed capacity to see how we can maximize the use of it. This goes back to the question asked by Counsellor Lang as to, you know, what really our capacity is and whether it's being fully utilized.

This, we think, is very important because, obviously, if we have a lot of money tied up on a project and maybe we're only getting, say, a portion of the power that it has the potential for developing, maybe very relatively small amounts of money can be used to get more power out of that development. This is what we want to do. So the answer to the last question from the Honourable Members is, yes, and Montreal Engineering are the people who are doing it. It's a complete and total evaluation of the Whitehorse/Aishihik system and how we can maximize the use of the presently installed facilities or supplement the supply of water or all these various considerations.

The next question was what we consider to be a small development or what we consider to be a major development. In the terminology of the Northern Canada Power Commission where our biggest single installation is the Aishihik project, I believe, with a rating of about 31 megawatts, obviously anything beyond that point starts to take on fairly major proportions. But I think that, in the context of the Yukon, when you are talking about a major installation I think they are talking about something that would have the potential for producing something between 500 and 1,000 megawatts. I would suggest that things of a relatively small nature are ones that would have an initial capability of, say, around 100 megawatts.

You have to be very cautious on this whole thing and you're getting into technical questions which I do not have the competency to properly answer, but a lot of considerations have to be brought to bear on the economics of the development that you want to bring about. It may well be that you can come up with a site that has a potential of, say, 500 megawatts, but by the time you have weighed all the environmental costs and everything else, maybe the maximum that you can develop that site to is only maybe 100 megawatts, so that it isn't -- it's all very well to say that 30 per cent of the undeveloped hydro potential in Canada lies north of the 60th parallel. I think that the question that has to be directed really is how much of that is not only economic in the sense of dollar economics to develop but what is economic to develop in the balance that has to be maintained between environmental damage and all the rest of the things which are a major concern.

Does that satisfactorily answer the Honourable Member's question, Mr. Chairman?

**Mr. Chairman:** Mr. Taylor?

**Hon. Mr. Taylor:** Mr. Chairman, yes, I'm pleased in a way to hear that, when you talk about a major development, you are talking somewhere in the 1,000, 1,500 megawatt range.

I'm hung up on this problem — our inability to export power which is surplus to our needs, and I'm also hung up on the problems that we have, because the Honourable Member from Whitehorse Riverdale raised the question of the pipeline and compressor stations and so forth using this power. It was my understanding that those figures range from 176 to 215 or so megawatts of power for that one project. It seems to me that there just aren't that many sites in the Yukon that one could develop to get the kind of energy you are looking at. Your domestic needs are going to increase in Whitehorse and if, as the Honourable Member says, the Kaiser program goes ahead, there's another in excess of 300 megawatts of power there.

If a smelter goes into the Pelly Valley at the other end of your grid, your existing grid, there's another 120 or in excess minimum requirement of megawatt power, and if you provide for those six or seven very legitimate and substantial resource developments, that is the hydro required for the operation of Canada Tungsten, for Howard's Pass and these other places I have mentioned earlier, there's another 80 megawatts on two grids, so there's another 160 megawatts, and the only way it seems that you're going to have the power is to develop a major development.

If British Columbia, as I understand they are giving consideration of doing, develop the Liard, there's our link to the south for our supportable power. It seems to me that the only way we can do this is darn near flood Haines Junction, because there's 4,000 megawatts of power without flooding Haines Junction, because there's 4,000 megawatts of power without ...

**Mrs. Watson:** Mr. Chairman, I suspected an ulterior motive all the way along.

**Hon. Mr. Taylor:** This is what I'm getting at, without our ability to export, can we in fact capitalize on future power projects in the Territory? You can't get this kind of power on the Yukon River at this point. You're so limited on where you can put these major projects, and this is where I'm having trouble.

The other problem is, how can we speed up this process? As the witness says, it's five to seven years before we can get going on something. The economic situation in the Yukon, as I said, is desperate now and there's very little that we're looking at in the future; we've got three years to bring a mine into production and my God, we've got a long way to go and I think that we've got to speed up these things, Mr. Chairman.

I don't know, I would hope that NCPCC could get something on the ball a lot earlier than that, or in fact give us the assistance to get a Yukon Hydro Corporation going.

**Mr. Smith:** Well, Mr. Chairman in response to the Honourable Member's comments, I think that there is a fundamental and underlying decision that has to be made. And that is, is the public in the Yukon prepared to give up a river valley or entertain a potentially severe environmental damage to permit a major hydro, if indeed hydro was to be the route that we go, to permit a major hydro development to take place in the territory.

And this fundamental question, Mr. Chairman, is not one for the Northern Canada Power Commission to make any presumptions about. That is a decision for the political arm of government to make that decision.

**Mr. Chairman:** Mr. Fleming?

**Mr. Fleming:** Yes, Mr. Chairman. I am very interested to hear so many remarks and so many things; that we were looking into the future, which is really wonderful and we're looking into what big projects may come and looking into big power projects to be built, that somebody guesses that they can't be built and I have to wonder, because I think they will be if it's necessary. I'm not really concerned with that. I think it will be done when the time comes and everything. These things usually come to pass.

What I'm concerned about is today, not two or three years from now. I'm concerned with the problem as it is in Yukon Territory right this very moment. Where we should have those turned off up there because we can hardly afford to pay for them. And it is very hard for me to ask the question I would like to ask, Mr. Chairman and the Chairman of NCPCC need not answer the question if he wishes. I think he will find a way around it anyway if it bothers him a little.

*(Laughter)*

However, I'm wondering if the way we are receiving power today, the way that we have a private corporation buying power from NCPCC, reselling the power, we have a Yukon territorial government rebate, which is in my estimation should be a federal rebate and we'd know more what it was about, because it is income tax that is coming back to some of the people. That's very good and without it, I think we would be lost. However, that money is merely income tax paid by a large corporation, a fairly large corporation. Therefore there is also a lot of money made by that same company and that's a Yukon company limited in the Yukon Territory in this case.

I'm wondering if maybe the government, I don't think they've ever made a study on it, I'm wondering if they would sit down sometime and study the situation and see if that company could be run efficiently or could be taken over by NCPCC and all handled under one area if the maximum monies that is made also by the profit in that company was back in Yukon Territory here, or wasn't charged for it, if possibly our bills wouldn't be quite a bit smaller.

And also, I'm wondering, and I know that I will get a lot of opposition to this, that if anybody has sat down and taken a look at equalizing the power rates across the Territory. I've heard some very specific remarks in this case and they say, oh no, you'll pay more and this one will pay more and so forth and so on. However, I realize that there would be one place that would pay more, which is half the people in the Yukon Territory, in the City of Whitehorse. So there would be great opposition. I think you'll agree with me on that.

However, I'm not so sure that if it was looked into, that that rate would increase so tremendously but the outside rates may be able to come down quite a bit.

I'm wondering if my remarks are fairly accurate, that there could be quite a difference if we really looked

into the money that's been going and where it's going and if we run this thing at cost instead of having another power company in the Yukon Territory.

I had another question, in fact I had two or three that they have been pretty well answered. I have a letter here from Judd Buchanan, which he says that -- Mr. Judd Buchanan, formerly the Indian Affairs Minister -- however, "I have asked the Chairman of NCPC, Mr. James Smith, to report, analyzing the reasons for high cost, increases in the Aishihik and Strutt Lake projects. "I'm prepared to take other steps in an effort to ensure that lower rates are kept at a reasonable level" -- and so forth and his press release was in there which we have all seen many times. And I think that was answered that that report is not completed yet. And as to keeping them at a reasonable level, I don't think that happened. However, he's not there now.

Has NCPC looked into any other source other than coal or hydro in Yukon? You know, in fact, have they --?

**Mr. Smith:** Mr. Chairman, the only other thing in the generating field that NCPC has looked into was wind generation and we became involved in an experimental program at Frobisher Bay and I believe that we were going to conduct two other -- conduct these experiments at two other locations. The decision of the Board was that the Commission was in no position to properly handle this kind of experimentation and we have gone to the Department of Energy, Mines and Resources and offered to give them, put into their hands, the equipment and such work as we have already done because we feel that they, either they or other similar government bodies are in a much better position to evaluate these kinds of things than the Power Commission is, because the cost of this kind of experimentation is simply beyond our abilities. That is the only other thing that we have looked at.

**Mr. Chairman:** Mr. Lang?

**Hon. Mr. Lang:** Mr. Chairman, I'm not going to preface my remarks and give you my own thoughts because I thought that the witness was here, was asked to come to be asked questions.

I would like to ask the witness, it's my understanding that NCPC was negotiating with Yukon Electric, the possibility of buying out Yukon Electric. I'd like to know at what stages those negotiations are and when will a decision be made whether or not NCPC is going to purchase Yukon Electric?

**Mr. Smith:** Well, in all fairness, Mr. Chairman, we conducted a considerable amount of examination with the Yukon Electrical Company of their assets and potential evaluation of these assets. This occurred at a time when many other pressing problems were being dealt with by the Commission and possibly the time and attention that was actually required to evaluate this potential purchase was simply not available to us. So that the indecision that was being created within the Yukon Electrical Company as a consequence of these negotiations being prolonged would be brought to a head. The Yukon Electrical Company advised us that the particular offer that they had made was no longer valid and that the negotiations that we had been carrying on were to be brought to a halt.

I personally appreciate the position that the Yukon Electrical Company was in at that time and have no quarrel at all with the decision that they took.

As to whether or not it would be appropriate to suggest that this matter would be examined again in the very near future, I'm rather hesitant to make any commitment on that at the present time, but I would say that ultimately, it certainly has to be examined and fully evaluated as to whether or not it is indeed a practical thing. I think that that is really the question that the Honourable Member from Teslin is raising. Would this be a practical thing? I'm not in the position to answer that question at the present time.

We, as I've said before, we are too busy getting our own internal house in order and attempting to do many many other things that we think are of more urgency than that particular question, but I certainly would not preclude the question as being one that will not be getting raised within the Board of NCPC and no doubt, some evaluation of our position with regard to this will be taken at some future date. But there certainly -- I would not want to leave Members with any impression that this is indeed a matter under active consideration in the Commission at the present time because it is not.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, another question for Mr. Smith.

We're all aware of last summer when the anticipated revenue didn't materialize for NCPC and there was a suggestion made, I believe by the Task Force that the NCPC review their method of billing large operators who buy blocks of electricity. I'm wondering whether NCPC has been able to do something in this regard in order to provide some protection for the individual consumer in the Yukon against this type of thing happening again?

**Mr. Smith:** Mr. Chairman, to turn the clock back is not possible. To learn of our errors of the past, to protect ourselves from going down the same blind road the second time for the future is something that we can do and we are in the process of doing it at the present time.

In other words, future contracts with regard to these kinds of industrial loads are being evaluated in the light of our experience of the past and we are attempting to roll into these contracts, provisions that will not create a repeat of what we have experienced as a consequence of unforeseen things that were never anticipated when these contracts were drawn up in the past.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, one further question and this is something that we are anticipating but we don't know what the amount is. I wonder if the Chairman of NCPC knows what the claims settlement that the Champagne/Aishihik Band has against the Aishihik Power project, whether that has been settled? If so, what the amount of money is and how will it be paid?

**Mr. Smith:** Well, Mr. Chairman, it is not possible for me to give a proper answer to that. I can say that the CYI have been in communication with the Power Commission with regard to this as something that would

conceivably be dealt with outside of the normal native land claims. And as the potential amounts involved are very considerable, we have sought the advice of our legal advisors on this matter, which is the Department of Justice and I understand that there has been some communication between the Department of Justice and officers of the CYI. But to suggest that this matter has been determined, or a course of action has been determined, as to how it will be resolved or who will be involved in assuming any liability that is to be assumed, if indeed there is one, I cannot answer that with any clarity at the present time.

I think, Mr. Chairman, the best that I could do to answer that question is to say that it is still very much of a living situation and will have to be resolved on the basis of the considered opinions of all who are concerned with it. There is no precedent in the past that I am aware of in dealing with these kinds of things here in the Yukon Territory or indeed anywhere in Canada's North.

So, I am sorry, Mr. Chairman, I cannot be any more positive in that matter at this time.

**Mrs. Watson:** Mr. Chairman, I'm rather sorry that we haven't any more specific information on it because I'm sure that the Chairman realizes what great concern people have over this because it is a considerable sum of money and I believe that it was filed, was it not, to NCPC as a result of almost the same as an expropriation of land, type of thing?

**Mr. Smith:** Yes and no, Mr. Chairman. I think really what you are dealing with here is all people concerned are in an unknown area as a consequence of lack of any past decision-making in this regard.

It is not easy for me to clarify the comment that the Honourable Member has made that this was indeed almost looked upon as a land expropriation, because I don't feel that that would be quite what was intended. I think really what you are into here is the question of public servitudes and indeed whether or not these public servitudes are subject to anything more than the specific claims of individuals who have been harmed by them. You almost need a legal opinion to properly clarify this, Mr. Chairman, but that is as far as I am able to go to answering the Honourable Member's question.

**Mr. Chairman:** Mr. Berger?

**Mr. Berger:** Thank you, Mr. Chairman, I would like to change the direction and go a little further North and also, after getting the explanation of what a minor project is and a major project in hydro projects. I think my project is a minute project and you can hardly see it. I'm talking about North Fork, and I think NCPC looked at that thing in the last couple of years. I'm wondering if NCPC is still looking at that particular project and if they are also looking at other possibilities of power development in the Dawson City area, since we can't expect to be on a grid system, as Mr. Smith told us. We do have coal deposits around there, and it's been known since the turn of the century, some of them have been worked on at the turn of the century and some of them have been proven as a good source of energy producing coal.

I was wondering if NCPC was looking at this, maybe

even the possibility of developing it themselves, - starting a mine up in the Dawson City area which would create work again.

The other thing I'm wondering about is how many people is NCPC in the process of laying off at the present time?

**Mr. Smith:** Well, to start with the first question in connection with the North Fork and any other potential hydro projects, we have had Montreal Engineering doing an evaluation of the old North Fork situation as the Honourable Member is well aware. Most of the physical assets have either been removed or are in a state of considerable disrepair.

I think the major asset that is still there is the actual ditch itself that comes from the Klondike River to the plant. And in the process of doing that, Montreal Engineering suggested that possibly other potential hydro sites in the area should be looked at as well and that is going on at the present time.

I can't say with any element of certainty what these examinations will result in, but certainly they should put us in a position to be able to determine whether we're going to have to continue with diesel generated power in the Dawson area or whether it will be practical to install a small hydro plant to take care of the area's present and future anticipated needs.

The second thing that you are asking about the Northern Canada Power Commission laying off people at the present time, the Northern Canada Power Commission is not in the process of laying off anybody. We are in the process of bringing our staff needs into proper line with our, in other words, bringing our expenses into proper line with our income, which we feel that any business should be doing. We are hopeful that the rate of attrition, in other words, employees leaving, voluntarily leaving, either going to other employment or through having pensions coming to them, we're hopeful that this rate of attrition will be adequate to dilute our staff needs. I am not aware of any requirements that we have at the present time that would not be served by the normal attrition of our people.

Now, that doesn't mean to say, and I don't want to preclude, that at some time in the future it may not be necessary to dilute our staff by means other than attrition but certainly that is the program at the present time.

**Mr. Chairman:** Mr. Berger.

**Mr. Berger:** Mr. Chairman, maybe I should rephrase my question differently because I think the Chairman of NCPC is talking about permanent employees. I'm talking about people and this is the reason I asked "people", because there is brought to my attention, casual people who have been working for NCPC for quite awhile, being laid off. So maybe my question should be how many casual people is NCPC laying off right now?

**Mr. Smith:** Mr. Chairman, I cannot answer that question with certainty, but I am quite prepared to get the matter looked into and I am prepared to supply an answer to the Honourable Member.

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** Mr. Chairman, I was going to ask the Chairman of NCPC if he could advise us of any reasons why the head office of the Northern Canada Power Commission should be in the south any longer, now that there is one hour direct communication by air between Whitehorse and Yellowknife. I would hope somebody is looking at that for future decisions.

Mr. Chairman, my problem really, this morning, is that I am unable to reconcile, in my own mind, what I am hearing today and what we were all hearing two or three years ago when many of those who are in this room were attending public hearings sponsored by the Northern Canada Power Commission which gave us a sense of great urgency for a decision for the immediate location of a major hydro development site because of the reasons we were told that at the time, and as far as I know most of those reasons still apply.

The main one was the rising and continuing escalating cost of alternate fuel which is still certainly with us, Mr. Chairman, and the normal growth demands of this country. Now, I am hearing and I realize, Mr. Chairman, that in the interim, we've had the installation of the Aishihik plant. But now I'm hearing, Mr. Chairman, this whole operation has slowed to a halt, this location of a major hydro site, until a large and prosperous customer, or two or more, are insured. I'm just trying to correlate these two things Mr. Chairman, in my own mind. Is it no longer a feasible possibility for Yukon to have a major hydro development unless and until we have a major customer.

Is that what we are saying today?

**Mr. Smith:** Mr. Chairman, from the business operation point of the Northern Canada Power Commission, the answer is yes. If there is to be a major hydro installation provided in the Territory without there being assurances of a major customer, or customers, to take a very substantial initial block of that power, it is an impossible burden for the present customers of the Northern Canada Power Commission to be asked to finance the installation of that plant.

They simply, the light bills that you have today would, they would pale into insignificance compared to what you would have to pay if, indeed, a major plant was installed and there were not commitments, customer commitments to undertake the proper liquidation of the indebtedness that is involved.

Remember that while water is effectively free as a fuel, that the money initially to build these plants has got to come from the banker and that banker demands a price for the use of that money. So that the urgency as envisaged by the Northern Canada Power Commission of a few years ago that the Honourable Member is referring to now, to some degree, has been ameliorated, because I believe that we were in a growth cycle and undoubtedly, my figures are probably wrong here, Mr. Chairman, but I believe that we were having some kind of an annual growth rate on our demand of an excess of 20 per cent a year. Now, I've told you that we don't anticipate any growth or any significant growth in the load in the year that we are in now. The year that we are just completing, the load growth over the previous year has not really been all that great. There has been some load growth, but nothing of great significance.

So that the anticipation of a continued rate of growth that was in place at the time that the Power Commission

was looking to or was under the urgency of getting a further plant in place has, to a marked degree, been replaced by lack of growth or lack of identifiable growth and likewise, the kinds of costs that are involved to put in a plant that would be more economic to the customer than diesel fuel is very, very great and there has to be a means of sustaining that investment before that plant can be put in place.

Now that is the business side of the thing. Now the political side of it, if indeed it becomes a policy of the government of Canada to put in infrastructure to encourage economic development in the area and Canada is prepared to wait until that development occurs before they require the repayment of the money, that puts the thing into an entirely different animal altogether, but that is a political decision, Mr. Chairman, not a business decision that is the prerogative of the Northern Canada Power Commission.

**Mr. Chairman:** Mrs. Whyard.

**Hon. Mrs. Whyard:** Mr. Chairman, just one last quick one. In other words, Mr. Chairman, we're waiting for our friendly banker in Ottawa to give us money at no interest in order to develop the country from which they take the resource revenue?

**Mr. Smith:** Mr. Chairman, I would say that that is a reasonable answer as far as the major installation is concerned, yes.

**Mr. Chairman:** Mr. Lang?

**Hon. Mr. Lang:** Mr. Chairman, I would like to refer back to a question earlier raised by the Member from Kluane in relation to the Aishihik project and the claims for compensation against it.

With the way the Act is written at the present time and the Federal Government decides that NCPC does have to pay compensation for the Aishihik project to the native organizations, is it fair to say that every consumer in the Yukon would pay for that compensation through their light bills?

**Mr. Smith:** Well, once again we're trying to contemplate a decision that you know has not been made. Under the NCPC Act, there is a section which refers to damages that the Northern Canada Power Commission would inflict upon the property owner in the process of putting an installation in place. There is an obligation there, under the Act, for the Northern Canada Power Commission, to assume the costs of those damages. A further section of the Act clearly indicates that all the costs that are incurred in the provision of electricity are to be recovered. There's no alternative but to recover it from the customers at the end.

**Mr. Chairman:** Mr. Lang?

**Hon. Mr. Lang:** Mr. Chairman, the answer to my question is, the consumer would pay if that happened?

**Mr. Smith:** Well, Mr. Chairman, I would like to temper that whole thing, because I think that the Honourable Member is anticipating an answer to a question, the answer to which has yet to be decided. I would

like to suggest, with respect, Mr. Chairman, that it is not a fair approach to make that assumption at this time. I think there's much more that has to be dealt with before that answer can be handled with finality.

**Mr. Chairman:** Mr. Taylor?

**Hon. Mr. Taylor:** Mr. Chairman, my question has been partially answered and in view of the time I'll let it go.

**Mr. Chairman:** Mr. Lengerke?

**Mr. Lengerke:** Thank you, Mr. Chairman, just a quick question. Mr. Smith, has NCPC any immediate plans to provide power to the Marsh Lake area? I'll just ask the other one as well, I just make this observation, that possibly consumption of power is down because the power rates are up?

**Mr. Smith:** The first question at the present time has been referred to the Commission. There has been some work done in this particular regard, Mr. Chairman, but the question at the present time is in the hands of the Commissioner.

The second question, is power consumption down because the rates are up?

**Mr. Lengerke:** In the Whitehorse area, for instance.

**Mr. Smith:** I'm sorry, Mr. Chairman, I would not have the, you know, the ability to answer that question, I really don't know.

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** Mr. Chairman, just one very quick last question. The Honourable Member from Watson Lake was quite concerned at the length of time it take to bring a project, a major power project into being and I think we all realize the various steps you have to go through. You have to do your environmental studies and your planning and I notice that the Commission has requested both the Territorial Waters Boards, in both Territories, to provide some guidelines for environmental studies for projects so that they don't go off and do the studies and then do the wrong ones. I wonder if they've been able to provide you with these types of guidelines?

**Mr. Smith:** Mr. Chairman, I am very happy to tell you that we have established a very good rapport with the Water Board in the Yukon and the Water Board in the Northwest Territories. We have found these people to be very, very co-operative and have taken the opportunity of apprising them, as fully as we can, of the difficulties that we encountered in the two most recent projects, both of which were licensed under fairly recent federal legislation.

We have found no disagreement at all with this idea of the Northern Canada Power Commission or any other agency for that matter, appearing in a public forum as all most antagonists with the people who are charged with administering the laws of Canada is a luxury that neither of us can afford.

We have no reason to believe that in future projects

that there will not be the fullest co-operation long before the requirement of public hearings and, you know, the normal regulatory process is put in place of us being anticipators of each other's needs and that these will be put in a format and into a manner which will result in the right thing being done on both sides of the fence.

I don't know how further I would explain that, Mr. Chairman, but, certainly, there is no lack of co-operation from both these important regulatory agencies in appreciating that they have their job to do and that the Northern Canada Power Commission has their job to do and the sooner we get together to make it possible for both of us to exercise the mandates that we have under federal laws, the happier the public that we both serve is going to be.

**Mr. Chairman:** Mr. Fleming?

**Mr. Fleming:** Yes, I'll make it very brief, Mr. Chairman, because I know it's late. Just a question on the water levels in the area of Marsh Lake. As the Chairman for NCPC knows, there has been petitions, letters, and so forth I think that he knows about, I don't have to mention it, from some of the people that are summer residents and so forth in that area. Due to the fact that the water has been raised by NCPC and they feel it is eroding their lake shores and that, is there any thought or has NCPC looked into the situation and would there be any lowering of the water table on that lake?

**Mr. Smith:** Well, Mr. Chairman, this has been the subject of considerable conversations between the Power Commission and the Water Board and I can assure you that we are abiding by the strictest letter of the law as laid down by the Water Board. Now, I am well aware of the fact that when we abide by that letter of the law, that doesn't mean to say that there is not some identifiable damage resulting as a consequence of that, but I think that the first thing the Power Commission has to do is to abide by the decision of the Water Board, and we are doing this.

If indeed, those properties which very obviously must be suffering certain damages as a consequence of the decisions of the Water Board, I would feel, Mr. Chairman, that it is up to them to prove their point or take their case to the Water Board and it is up to the Water Board to make a decision as to whether or not their regulations and their direction to the Northern Canada Power Commission is to be amended or changed or whatever is to be done with it.

I don't think that this is something that the Power Commission can go to the Water Board one day and say we want a certain water level, the Water Board agrees to this under certain terms and conditions and then just out of the clear blue sky we turn around and say well, you know, we made a mistake, you know, we want a different water level.

I think that where the original difficulties arose in this particular situation was that we were in error by not closely monitoring the actual water levels that were being maintained. This situation, Mr. Chairman, I was to assure the Honourable Member, has been completely corrected and I am assured by the Water Board people that they have no fault to find with the manner in which we are conducting ourselves in regard to the regulations that they have laid down.

**Mr. Chairman:** Mr. McKinnon?

**Hon. Mr. McKinnon:** Mr. Chairman, I wasn't going to get into it at all, but do I understand from that answer, Mr. Chairman, that the NCPC did not exceed their operating authority on Marsh Lake last year?

**Mr. Smith:** No, I have just clarified that point, Mr. Chairman. I said that some of the original difficulty was in the Northern Canada Power Commission not living within the regulations as laid down by the Water Board.

**Hon. Mr. McKinnon:** Mr. Chairman, I'll just follow that up with another quick one then. On operating within the authorities granted by the Water Board, NCPC has had a poor track record at both Aishihik and Marsh Lake. I'm just wondering, Mr. Chairman, if you could tell me, for my own personal satisfaction, how come NCPC never gets prosecuted when they exceed their operating authority?

**Mr. Smith:** Well, Mr. Chairman, I have no idea about the prosecution part of it, but I would not want the Honourable Members to feel that we do not get properly chastised by the Water Board people when we do fall out of line, because we do. I think they have a special format of asbestos paper that they write to us on so that it doesn't burn up in the typewriter. Having been chastised quite sufficiently, I can assure you we have no intentions of knowingly exposing ourselves to further chastisement, Mr. Chairman.

**Mr. McKinnon:** Mr. Chairman, I know how that works. Every time I broke the law, that's what happened to me — I just got chastised a little bit.

**Mr. Chairman:** As Committee can see, we're running late, but for a very good reason. Mr. Smith, it's been very informative and very pleasant of you to come. Thank you very much for appearing before Committee.

**Mr. Smith:** Thank you, Mr. Chairman. I have a couple of other documents here which Honourable Members may find of value. At the recent National Northern Development Conference, there was a paper given on Hydro Resources by a namesake of mine from a Montreal engineering company. If you wish, Mr. Chairman, I could leave this with the Clerk and it might be possible to have copies made and distributed to Members. As far as I know, it's a public document; it was published as part of the proceedings of the National Northern Development Conference that was held in Edmonton a few weeks ago. Members might find it to be of interest because it touches on many of the things they are questioning here today.

Likewise, I have an annual report of a United States Department of the Alaska Power Administration and it has to do with the two hydro projects that are operated in the State of Alaska by an authority established by the American Federal Government that is not too unlike the Northern Canada Power Commission. A couple of weeks ago, people in the Juneau Chamber of Commerce visited here in Whitehorse and supplied some very interesting information as to what the price of electricity is in Juneau. I would like to leave these three with you and Honourable Members might find them to be of con-

siderable interest.

**Mr. Chairman:** Thank you, Mr. Smith. Committee is recessed until 1:30.

*(Adjourned)*

**Mr. Chairman:** I call this Committee to Order. There is a Motion before Committee at the present time, but the mover of the Motion is not present, so could we consider some other Establishments for this final go in the meantime? I'd refer you to Establishment 536, Senior Citizen's Homes. Are we clear?

**Some Members:** Clear.

**Mr. Chairman:** Establishment 560, page 116, Corrections Branch.  
**Mrs. Whyard?**

**Hon. Mrs. Whyard:** The information requested by Members was provided last Thursday for the benefit of all to study and I think that it speaks for itself. The submission is in detail and it is convincing enough for me, for the Sub-Committee on Finance, for the Public Service Alliance and for the Public Service Commission.

**Mr. Chairman:** Mr. Berger?

**Mr. Berger:** I have just one question, Mr. Chairman. Maybe the Minister could answer me. Are they expecting an expansion of the correctional facilities? I realize they are talking about over-population and everything, and they require staff, so I was wondering if there's any expansion of facilities there, too?

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** There is nothing in the capital side planned for this current year to expand the facility.

**Mr. Chairman:** Expenditure Recoveries of Vote 7. This has not been considered yet.  
**Mrs. Whyard?**

**Hon. Mrs. Whyard:** Mr. Chairman, on the Recoveries, I would only point out that we are still putting in a figure of \$13,000.00 which we had hoped to recover from the B.C. Government for their -- pardon?

**Hon. Mr. Lang:** Mr. Chairman, aren't we on Vote 7?

**Mr. Chairman:** Yes.

**Hon. Mrs. Whyard:** I beg your pardon, have we cleared my Expenditure Recoveries?

**Mr. Chairman:** No, I'm sorry, it is Vote 5. Yes, Expenditure Recoveries, Vote 5.

**Hon. Mrs. Whyard:** Mr. Chairman, I was just pointing out to Members of Committee that there is a figure of \$13,000.00 we still hope to recover from the B.C. Government for their cost-share of the probation services extended to them in Northern B.C.

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Vote 5, are we clear?

**Some Members:** Clear.

**Mr. Chairman:** Vote 20, Project Capital, Page 212. Total Vote, \$16,697,100.00, are we clear?

**Some Members:** Clear.

**Mr. Chairman:** I refer then back to Vote 1, Establishment 125. Mr. McCall?

**Mr. McCall:** Did we clear 123?

**Mr. Chairman:** Pardon?

**Mr. McCall:** I don't think we cleared Establishment 120, did we?

**Mr. Chairman:** Yes.

**Mr. McCall:** We did? How interesting.

**Ms. Millard:** Is there going to be any further reconsideration of Vote 120?

**Mr. Chairman:** With the consent of the Committee, yes. We have cleared it but of course Committee can do what it wants if that is the concurrence. If you want to reopen it, by all means.

**Ms. Millard:** May I ask the consent of Committee then?

**Mr. Chairman:** Does Committee wish to reopen 120?

**Some Members:** Agreed.

**Mr. Chairman:** Okay, 120.

**Ms. Millard:** Mr. Chairman, under Commissioner's Support, Primary 52, \$3,000.00, I am wondering if I could have a breakdown on that since 52 is subsistence and maintenance.

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, up to but not including 1976-77, YTG had always paid the Commissioner a housing allowance of, I believe, of about \$250.00 a month. In 1976-77, we were told on a preliminary basis that that amount would no longer have to be paid by YTG, but it was indicated that Indian Affairs would pay that amount. As it subsequently turned out, Indian Affairs is not paying the amount so it was taken out in error in 1976-77, so we are now reinstating the policy which, as I say, goes back a number of years.

**Ms. Millard:** Mr. Chairman, am I led to believe that we are paying a maintenance and subsistence amount for a Federal Civil Servant?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, I believe the maintenance of the House is done by the Federal Department of Public Works and I believe the Commissioner pays rent on that House to the Federal Government. But it has been the practice of this Government to pay to the Commissioner an allowance, a housing allowance of \$250.00 per month, or \$3,000.00 per year.

**Mr. Chairman:** Mr. McCall?

**Mr. McCall:** I find this a very interesting subject. Do we also subsidize the Commissioner as far as him paying his taxes to the Receiver General of Canada?

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** Mr. Chairman, no, we don't and can't say that this allowance, for instance, is a taxable allowance, but the Commissioner, I believe, has to pay tax on this particular allowance.

**Mr. Chairman:** Ms. Millard.

**Ms. Millard:** Well, Mr. Chairman, I'm afraid I have to differ with that. The copy that I have received about this Vote states that the amount is pro rated at \$250.00 a month with \$175.00 being a direct payment to the Commissioner and \$75.00 paid to the Receiver General to cover the income tax requirement.

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** Mr. Chairman, that's correct, that's what I said. The Commissioner has to pay tax on this amount so a portion of the payment, an income tax portion, is withheld from the payment. Just like if you pay somebody a salary you don't pay them their gross salary, you pay them a salary minus what you have to withhold for income tax, and this is the same thing. The allowance is \$250.00 per month, but a portion of it is taxable and so tax is withheld.

**Mr. Chairman:** Mr. McCall.

**Mr. McCall:** Well, I find this very ironic because, if we are subsidizing a civil servant, which he is, out of our budget which is our taxes, I find that rather odd and I don't go for this and it doesn't make sense to me that we're giving subsidies to the Commissioner in order to exist. I think he should fall in line like everybody else and when we have to pay our expenses we don't go to the government for a subsidy or a hand-out for \$3,000.00.

**Mr. Chairman:** Mr. McIntyre?

**Mr. McIntyre:** Yes, Mr. Chairman. I wonder if this is just the thin end of the wedge and next year we will be asked to pay similar allowances to all Members of the Executive Committee?

**Hon. Mr. McKinnon:** Mr. Chairman, I wouldn't touch that with a ten foot pole, but I wouldn't have the guts to come before this House and ask for it.

**Mr. Chairman:** Ms. Millard.

**Ms. Millard:** Well, Mr. Chairman, I certainly would like some reason for it. Obviously, it was omitted in last year's budget, inadvertently, however. And I would really like to know why we're doing it. Certainly the rent on the house, if it were rented to any other civil servant, would be more than \$175.00 a month, I'm sure.

So, he must be paying part of it himself. Why can't he pay the whole lot himself? Why does the Territorial Government feel that we receive services from the Commissioner to the point of say \$175.00 a month, \$250.00 a month actually?

**Mr. Chairman:** Mr. McKinnon?

**Hon. Mr. McKinnon:** Mr. Chairman, it's really simple. The former Commissioner received, as a Federal Civil Servant, a subsidy of \$250.00 a month for his housing and other expenses and that was voted every year in the budget. We thought we'd made a deal with the Federal Government, the present incumbent Commissioner thought he'd made a deal with the Federal Government, that that was going to come from the Federal Government pocketbooks, which I think it should; it was reneged upon, so it was asked to be put in the budget, as it always was prior to thinking the deal was made with the Federal Government that they would pick up that expense.

**Mr. Chairman:** Mr. Berger?

**Mr. Berger:** Yes, Mr. Chairman, I just was wondering, since we do without \$3,000.00 or so, if possibly the house couldn't be taken over by the Yukon Housing Corporation?

**Mr. Chairman:** Any further consideration of 120?

**Ms. Millard:** Mr. Chairman, I would still like some consideration of this Vote. I'd like to know why we feel it's necessary to pay this. That's a pretty reasonable question.

**Mr. Gillespie:** There really isn't much to add to that which the Minister of Local Government has already stated, and Mr. Williams. I think if we were to go back to where this all began, I believe it was in the early 1960's but perhaps even the late 1950's when this subsidy was first established, we could bring in some information; I would not like to hold up this Vote if possible for that purpose. It would take a little time to go back in history to find out just what the genesis of this thing is, but it does go back a good many years.

**Mr. Fleming?**

**Mr. Fleming:** Yes, Mr. Chairman, I'm quite interested myself. I wouldn't want to hold up the Vote; however, I would be quite interested to find out what would happen if we didn't pass the Vote due to that little bit of money we're donating to somebody. If we could have the assurance that we would get an answer as to why we're really doing it, that's all I think I would ask.

**Mr. Gillespie:** Yes, Mr. Chairman, I don't see any problem with that.

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** Mr. Chairman, I sympathize with the Honourable Member's request for information and I think it would be of great interest at this particular time when this Legislative Assembly is assessing its roll and its future roll and what change there may be in its authority and responsibilities, to see exactly where the roll of the Commissioner fits in, financially as well as constitutionally. And in that context, I think an interesting Paper could be brought in but I would certainly ask that this Vote not be delayed on that point.

**Mr. Chairman:** Any further consideration of 120?

**Some Members:** Clear.

**Mr. Chairman:** One twenty-five, Page 24, Expenditure Recoveries, Vote 1.

**Mr. Lengerke?**

**Mr. Lengerke:** Mr. Chairman, I'm sorry I have to rise and ask a question. I came in late and I apologize for that.

Have we dealt with Establishment 100?

**Mr. Chairman:** Yes, we did — a week ago.

**Mr. Lengerke:** Can, before leaving the Vote 01, can I go back to 100 for a minute?

**Mr. Chairman:** With Committee's consent, yes.

**Mr. Lengerke:** Will Committee consent?

**Some Members:** Agreed.

**Mr. Chairman:** Let's complete the Expenditure Recoveries first.

**Mr. Lengerke:** All right, thank you, Mr. Chairman.

**Mr. Chairman:** Expenditure Recoveries, clear?

**Some Members:** Clear.

**Mr. Chairman:** Establishment 100 was the Establishment that you wish to reopen, Mr. Lengerke?

**Mr. Lengerke:** Yes, Establishment 100.

**Mr. Chairman:** Okay, 100.

**Mr. Lengerke.**

**Mr. Lengerke:** Yes, Mr. Chairman, with respect to Establishment 100, I have a motion that I'd like to put forward, and this is moved by myself, seconded by the Honourable Member from Watson Lake: THAT the vote wording for Establishment 100 be amended by inserting the words "members of the Advisory Committee on Finance" between the words "Councillors" and "Elected Members of Executive Committee".

That's just the wording on Page 12, Mr. Chairman.

**Mr. Chairman:** It has been moved by Mr. Lengerke, seconded by Mr. Taylor, that the vote wording under

Establishment 100 be amended by inserting the words "Members of the Advisory Committee on Finance" between the words "Councillors" and "Elected Members of the Executive Committee".

So the vote wording ...

**Mr. Lengerke:** Mr. Chairman ...?

**Mr. Chairman:** Mr. Lengerke.

**Mr. Lengerke:** Thank you. I can speak to that if it would help Members.

The present vote wording is inconsistent with the current method of payment of salaries for the Ministers. And the Elections Ordinance allows for the payment for Members of the Advisory Committee on Finance; however, the vote wording does not. And really, the purpose of this resolution, Mr. Chairman, is one of a housekeeping nature only. It merely will allow the vote wording to reflect what is actually being done.

**Mr. Chairman:** Thank you, is there any further debate?

Mr. McKinnon?

**Hon. Mr. McKinnon:** Mr. Chairman, one is probably nit-picking but under the Yukon Legislative Assembly, we had the payment for the Legislative Assembly and Legislative Committees, then in the Vote wording we say, "...to provide for the Statutory emoluments of Councillors." Why do we change the wording from "Members of the Assembly" and the vote wording on top to "Councillors" in the next vote wording. Certainly we should be consistent and be calling it for the statutory emoluments of Members of the Legislative Assembly. It is just making the vote wording consistent all the way through.

**Mr. Chairman:** It has been moved by Mr. Lengerke and seconded by Mr. Taylor that the vote wording for Establishment 100 be amended by inserting the words "Members of the Advisory Committee on Finance" between the words "Councillors", now "Members of the Legislative Assembly" and "elected Members of the Executive Committee." Are you prepared for the question?

**Some Members:** Question.

**Mr. Chairman:** Are you agreed?

**Some Members:** Agreed.

**Mr. Chairman:** Motion is carried.

*(Motion carried)*

**Mr. Chairman:** Any further consideration of 100? We shall return to -- is Vote 1 clear?

**Some Members:** Clear.

**Mr. Chairman:** We shall return to Vote 7, Establishment 700. Mr. Lengerke?

**Mr. Lengerke:** Mr. Chairman, I believe when we

were discussing this establishment last, we had a motion on the floor presented by myself and I think the ruling from the Chair was that it was inconsistent with -- was not allowable and I've researched it out, Mr. Chairman, and I would, with the consent of my seconder, I would withdraw that motion.

Personally, I feel like I am copping out, Mr. Chairman, I really do. I admit that to this House because of all things, I should be going ahead with it. It doesn't provide the kinds of things that I want to happen if I have to amend it in order for it to be a legal motion. So Mr. Chairman, all I can say at this time is that I will withdraw it, I withdraw it admitting that I am a copout in this respect.

**Mrs. Watson:** He is putting us in a terrible position, we don't want to agree with that.

**Mr. Lengerke:** I feel very strongly about it, I just find that the mechanism available to me at this time isn't there and I withdraw.

**Mr. Chairman:** As your seconder, Mr. Lengerke, I will go along with your wishes but I would like to serve notice that there are many features of this vote 7 that I find very disturbing and will come under close scrutiny and we might have to reintroduce a similar motion at a later date.

**Mr. Lengerke:** Thank you for your support, Mr. Chairman.

**Mr. Chairman:** Establishment 700?  
Mr. Taylor?

**Hon. Mr. Taylor:** Yes, before the motion can be withdrawn, it would have to have the agreement of Committee in this respect.

**Some Members:** Agreed.

**Mr. Chairman:** It's agreed already. Establishment 700, clear?

**Some Members:** Clear.

**Mr. Chairman:** Vote 7, clear?

**Some Members:** Clear.

**Mr. Chairman:** That completes our first perusal of the budget.

Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, we had some documents handed to us, I believe it was yesterday, on Vote 9. Some information that the Honourable Member from Klondike and I had requested regarding the maintenance of abandoned roads and I wonder whether Committee would entertain a resolution on that specific Establishment at this time.

**Mr. Chairman:** Mr. McKinnon?

**Hon. Mr. McKinnon:** Mr. Chairman, my understanding was that Vote 9 was clear and I would come

back with the information that was requested by Honourable Members at the earliest opportunity and I think it's a credit to my department, it came back with expansive information, even after that vote was cleared and they were under no pressure. Now we're opening vote 9 again on information that came back because of their ability to put the work together on a vote that's already cleared. I'm a little confused.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, both the Member from Klondike and I asked regarding the policy of the territorial government regarding the maintenance of abandoned roads and we were told at that time that the government does not maintain abandoned roads and we asked if the department could look up the number of abandoned roads that there are. The answer, reply came back and we're looking at four abandoned roads, a total mileage of approximately six to seven miles, and the department estimated that the minimum maintenance cost total for the year would be \$1,035.00 and I think that we should be facing --

**Mr. Chairman:** Mrs. Watson, before you persist any further with this, this was cleared with Committee's consent. Now is it Committee's wish that this Establishment be reopened?

**Mrs. Watson:** Mr. Chairman, the information -- we couldn't make a decision on that part.

**Mr. Chairman:** You did. You cleared it.

**Mrs. Watson:** I didn't.

**Mr. Chairman:** Mr. Taylor?

**Hon. Mr. Taylor:** Perhaps it may be of assistance to the Honourable Members involved in this motion that they simply make the motion under Orders of the Day in the normal manner by giving notice and dealing with it in the House. That should solve the problem.

**Mr. Chairman:** Is it Committee's wish that this vote be reopened?

**Some Members:** No.

**Mr. Chairman:** We'll proceed with --

**Mrs. Watson:** Mr. Chairman, I hope that Committee realizes, and I made the statement there was \$50,000.00 in there for a study that we weren't going to have to pay for, and I made the comment at that time that we would look at that \$50,000.00 when we got this information back on recreation roads and abandoned roads, so if it's the Committee's concurrence that they want to vote \$50,000.00 for nothing, fine. I'll bring it in as a resolution.

**Mr. Chairman:** Schedule A of First Appropriation Ordinance.

**Mrs. Watson:**

**Mrs. Watson:** My question, and I would like it answered from anyone, financial people, political people,

you name it. When there's an item in the Estimates for \$50,000.00 and it's not required, we've found out since the Estimates that we don't have to pay that share of the report, are we legal in leaving that \$50,000.00 in the Estimates?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, I should first point out that that \$50,000.00 was related to an approved project under the Engineering Services Agreement and that money can only be spent on projects under the Engineering Services Agreement. That's not \$50,000.00 sitting in the bank that can be spent anywhere. If we spend that \$50,000.00 it will have to be under the terms and conditions of the Engineering Services Agreement.

**Mr. Gillespie:** Mr. Chairman, Mr. Williams just confirmed that indeed that \$50,000.00 would be 100 per cent recoverable if it is spent.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** But, Mr. Chairman, why are we voting money that we don't need to vote?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, at the time that the Estimates were being put together it appeared that we would have to vote the money and there are now two options. The government can either, with the permission of Indian Affairs who administers the ESA Agreement with us, can either reallocate those \$50,000.00 to other ESA roads or the money can simply lapse and we will get no recovery for it.

**Mr. Chairman:** Mr. McKinnon?

**Hon. Mr. McKinnon:** We're also voting \$3,000,000.00 that we don't have. If we don't have the money we're not going to be able to spend it. We're not going to be able to know whether we've got the money until we get Treasury Board approval, which we haven't got at the present time.

What else can we do? What's the use of taking it out of the budget? If we get it, we get it in there we'll be able to spend it. If we don't get it, we're not going to be able to spend it.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, I made that point before. We're voting a pig in a poke and I don't like doing that.

**Hon. Mr. McKinnon:** We've done it year after year with the Engineering Services Agreement, Mr. Chairman. I agree completely with the Honourable Member.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, we have not done it year after year. We've had an agreement before the Estimates have come into the House. Last year and this year are the only two years that this has happened. In

past years we've had the Agreement approved by Treasury. We knew what we were voting.

**Mr. Chairman:** Mr. Sherlock?

**Mr. Sherlock:** I think the point that needs to be made, Mr. Chairman, is that just because the budget, you know, gets approval and the appropriations are approved doesn't mean that the money necessarily will be spent. One of our jobs in Treasury is to ensure that the money is spent properly as well as every department. So approval doesn't necessarily mean spending.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, that's not very reassuring to me. I realize what the Treasurer is saying that because we voted it, it isn't a licence to print money, to spend money. I realize that, but I think that there is a -- that we have a responsibility too, to, if we don't vote it -- if we vote it, we can expect it to be spent, if it's required.

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** I'd just like to make one comment and that is that the Honourable Member is concerned about a certain area of government spending and she wishes to impose certain directions to this government about how the money shall be spent. And there is no reason why she cannot do that as it's already been suggested with a motion or a resolution.

I would like to remind Members of the Committee that restrictions of this kind are imposed upon the budget practically every year in one department or another and there's nothing wrong at all with taking direction from Members here as to how votes shall be or shall not be completely spent.

And, as we've already heard earlier in Committee, there was one item in our Social Welfare Branch Vote last year which was restricted by the Members regarding day-care funding. I am sure, Mr. Chairman, that I speak for all the elected Members on the Executive side, that the wishes of this House are considered when these monies are spent.

**Mr. Chairman:** When first reading the bill I didn't carry the clauses. I'll just name the clauses out. Clause 1?

**Some Members:** Clear.

**Mr. Chairman:** Clause 2?

**Some Members:** Clear.

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Clause 2, clear?

**Some Members:** Clear.

**Mr. Chairman:** Clause 3?

**Some Members:** Clear.

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, I'm not going to belabour this but when you read Clause 2, it says specifically what I was saying, "...such sum shall be applied only in accordance with the schedule." And in the Schedule we have some very distinct amounts of money specified. And this is the point that I was getting at.

**Mr. Chairman:** Clause 4, clear?

**Some Members:** Clear.

**Mr. Chairman:** Schedule A, Administrative Services, \$2,374,100.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Treasury, \$2,524,700.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Education, \$14,130,700.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Territorial Secretary and Registrar General, \$1,252,300.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Health, Welfare and Rehabilitation, \$14,401,300.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Local Government, \$3,587,700.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Tourism, Conservation and Information, \$3,390,800.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Legal Affairs, \$2,947,200.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Department of Highways and Public Works, \$17,269,400.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Yukon Housing Corporation, \$2,214,100.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Project Capital, \$16,697,100.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Loan Capital, \$5,100,000.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Loan Amortization, \$1,450,000.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Total, \$87,339,400.00. Clear?

**Some Members:** Clear.

**Mr. Chairman:** Whereas it appears by message from Arthur Pearson, Commissioner of the Yukon Territory and in the estimates accompanying same, that the funds hereinafter mentioned in Schedule 'A' of this Ordinance are required to defray certain expenses of the Public Service of the Yukon Territory, and for the purpose relating thereto for the twelve months ending the 31st day of March, 1978, therefore the Commissioner of the Yukon Territory, by and with the advice and consent of the Council of the said Territory enacts as follows:

First Appropriation Ordinance 1977/78.

**Mrs. Watson?**

**Mrs. Watson:** Mr. Chairman, I would again like to question the preamble on Bill Number 2 and the preamble on Bill Number 3.

**Mr. Chairman:** Are you just questioning it, Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, I don't know who's going to answer it, but why do we have a different preamble? Why are we using the different format for Bill Number 2 and then the usual, the normal one for Bill Numbers 3, 4, that's the --

**Mr. Chairman:** Mr. Gillespie?

**Mr. Gillespie:** Bill Number 2 is a money bill and pursuant to the Yukon Act, Section 24, has to be presented by message from the Commissioner. That's why the preamble is in this form. Other bills, including the Financial Agreement Ordinance which is not a money bill, but is rather an agreement bill, do not require the same preamble, the same form of preamble.

**Mr. Chairman:** Mr. McCall?

**Mr. McCall:** I'm concerned also. I'd like to know why the Commissioner's name is implied in the preamble, where it should just be the Commissioner of the Yukon Territory. It's the first time I've seen it in a preamble. What's the big deal?

**Mr. Chairman:** Mr. McKinnon?

**Hon. Mr. McKinnon:** Mr. Chairman, I inquired

after giving the same explanation as the Assistant Commissioner did the first time it was questioned and subsequent to that, I went and asked the Clerk whether that was correct and she said yes, the answer was correct, but really it's in exactly the same form as it was in last year's budget and the budget before it, so if that is incorrect then the Clerk gave me the wrong advice because that was what she said, that the explanation was correct, that there was no change in format in the Bill.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** I'm not going to hold up the Bill by questioning that. I just wanted to know why and I took the liberty to go and look at the preamble that was used in last year's Appropriation Ordinance which is also delivered as a message from the Commissioner and it uses the other preamble. I'm not going to delay it, I'm sure that this is legal, also, but I was just wondering why we were using a different format?

**Mr. Chairman:** First Appropriation Ordinance, 1977/78, Clear?

**Some Members:** Clear.

**Mr. Chairman:** Shall I report the Bill without amendment?

**Some Members:** Agreed.

**Mr. Chairman:** We will proceed to Bill Number 3, Financial Agreement Ordinance, 1977.

**Mr. Chairman:** 1 (1)

*(Reads Clause 1)*

**Mr. Chairman:** Is there any general debate on Clause 1? Clear?

**Some Members:** Clear.

**Mr. Chairman:** 2 (1)

*(Reads Clause 2)*

**Some Members:** Clear.

**Mr. Chairman:** 3 (1)

*(Reads Clause 3)*

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** I would like to ask possibly Mr. Sherlock, 3 (a) iii, A Capital Grant for the fiscal year of '77-'78, an amount equal to \$11,606,000.00. Our Project Capital is \$16,697,100.00. What is the difference? One is 11 and the other is \$16,000,000.00?

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** Mr. Chairman, there is two sides to the matter, on the one hand there is money coming into the government, and on the other hand there is money being

spent by the government ie. money going out. Now the \$16,000,000.00 is the amount of money which the government contemplates on spending. Since we are spending money, the money has got to come in from some place and one of the places that money comes in from is the Department of Indian Affairs. Now that is what the 11,606,000 is. That is how much money they are going to grant to us.

In addition to that grant of money, we anticipate recovering through shared cost programs, another 4.4 million dollars, so the total money coming in with respect to capital next year is \$16,065,000.00. The total money which we contemplate spending with respect to capital is about \$16,700,000.00, so there is going to be a deficit that has got to be made up out of our working capital of \$400,000.00. One figure refers to the money coming in and the other money refers to the money which we are going to spend.

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** Mr. Chairman, thank you but what about the Engineering Services Agreement, now? That capital wouldn't be part of the fiscal agreement then?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, no it is not part of the Financial Agreement. That is a separate agreement called the Engineering Services Agreement which is over and above the Financial Agreement.

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** Mr. Chairman, what other cost shared agreements are there for capital? Because it was my—I always thought that almost all of our capital projects were funded through our Financial Agreement, other than through the Engineering Services or the Financial Agreement. Yukon Housing, CMHC, this kind of thing?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, on page 213 there is a breakdown of these additional \$4,459,000.00. The biggest component relates to land development but the Federal Government doesn't give us any money by way of grant for land development. If we develop land, in order to finance that, we borrow money from Ottawa. And the other major components are, as the Member suggested, those relating to agreements with CMHC.

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** Mr. Chairman, I thought that our loan capital—no, that is the loan capital that we use for Municipalities then, isn't it? I thought that is where the Capital we were requiring for development that the land would come in because it is treated almost as a loan, isn't it? Because we use it, pay amortization on it, then we collect back when we develop the land and sell it. But it must also be included in Project Capital.

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** That is correct, Mr. Chairman, be-

cause we are actually spending money on land development, we vote that money as part of the capital program. Then we recover the money from loan capital.

It is one of these bookkeeping type entries that comes in and out, in and out sort of thing.

**Mrs. Watson:** Mr. Chairman, is the land development money in the Financial Agreement Ordinance?

**Mr. Williams:** Mr. Chairman, it is indirectly. In Section, I believe there is a section in the Financial Agreement Ordinance that specifies how much money we were going to borrow—oh, I'm sorry no, that is a separate Ordinance. No, it is not. It is a separate ordinance.

**Mrs. Watson:** Mr. Chairman, this is why the Loan Agreement Ordinance—that is the land money in there, isn't it? This is where I am confused. We have the land money in there and we also have the money that we are borrowing to re-lend to Municipalities and they also have the CMHC second mortgages in our Loan Ordinance, so the difference then really between the 11,000,000 and the 16,000,000 we have here, really would be the Engineering Services Agreement then, capital, would it not?

**Mr. Williams:** Mr. Chairman, I can understand why the Member is confused because the first time I looked at this about a year and a half ago, I was equally confused. If you look at the total chain of events over the life of these projects, we end up voting the expenditures three times. We vote the expenditure under Project Capital. We vote the expenditure under Loan Capital and we vote the expenditure under Loan Amortization.

What we do is borrow the money from Ottawa and pay that money to ourselves, therefore we expend that, so we vote the money under Loan Capital, we borrow the loan capital money then we transfer the proceeds of that loan to our capital, working capital. Then we spend it out of capital and then over the next twenty years we have to vote it again every year to repay the loan. So it is a confusing chain of events.

But because we have a Capital Project entitled land development, we have to include in the \$16,000,000.00 of capital, the value of that project to give us authority to spend the money.

Now the source of that money is loan money and we borrow that—we receive that loan money from Ottawa and we pay it into our own working capital, our capital working capital under the Loan Agreement Ordinance.

**Mrs. Watson:** Mr. Chairman, it could be that—I was really confused on this and I kept adding and subtracting. And it could be that in the past, oh, three years ago, we borrowed all of our capital money, I believe. And now we get a grant for a certain amount and that's where my confusion is I think, because it was all borrowed.

**Mr. Chairman:** Clause 3, are we clear?

**Some Members:** Clear.

**Mrs. Watson:** Mr. Chairman, abundantly clear. Not really.

**Mr. Chairman:** Four. (1).

*(Reads Clause 4)*

**Mr. Chairman:** Mr. Lengerke.

**Mr. Lengerke:** Mr. Chairman, I'm just curious about why (b) would be in there? Four (1)(b). What other terms and conditions as may be agreed, what other terms can we look for? Why does that have to be there?

**Mr. Gillespie:** Mr. Chairman, my only explanation to that is a very general one, in agreement ordinances of whatever sort, we've always had an item of this sort and I don't think it reflects particularly on this one. It's just a general clause that's always in there.

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** Mr. Chairman, for instance, let's assume that a building burnt down. Now an arrangement that we have with the federal government is that they will give us money out of their-- out of some fund to replace that building so it's conceivable that the agreement, the financial agreement might change during the year. I believe that's what that section relates to. It's possible that we might get a payment over and above that now foreseen.

**Mr. Chairman:** Clear?

**Mr. Lengerke:** Not really.

Mr. Chairman, the Honourable Member from Kluane just was saying, if you look down to the next one, 5.(1), wouldn't that allow what Mr. Williams is describing?

**Mr. Gillespie:** I think that if we were to enter into an agreement under this Ordinance and for some extraordinary reason, as suggested by Mr. Williams, there had to be an extension of the amounts granted under the Financial Agreement Ordinance, Section 5.(1), I suspect would be the section used to enable the two governments to do that without us having to come back in with the Ordinance again. We have to come for ratification, but not for a new Ordinance.

**Mr. Chairman:** Is 4 clear?

**Some Members:** Clear.

**Mr. Chairman:** Five.(1).

*(Reads Clause 5)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Six.(1).

*(Reads Clause 6)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Seven.(1).

*(Reads Clause 7)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Eight.(1).

*(Reads Clause 8)*

**Some Members:** Clear.

**Mr. Chairman:** Nine.(1).

*(Reads Clause 9)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Ten.(1).

*(Reads Clause 10)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Eleven.(1).

*(Reads Clause 11)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** The Commissioner of the Yukon Territory, by and with the advice and consent of the Council of the said Territory enacts as follows: Financial Agreement Ordinance, 1977.

Clear?

**Some Members:** Clear.  
Mrs. Whyard.

**Hon. Mrs. Whyard:** Mr. Chairman, just before we leave this Ordinance, I wonder if I could take a moment to ask our friends from Treasury if I am correct in my assumption that based on the figures in this Ordinance and in the first and second appropriations, we are looking at an overall total budget for the Yukon of \$87,239,400.00. This agreement provides that the federal government will grant or loan us \$15,951.00 and \$11,606,000.00 and I'm not including the \$13,000,000.00 which they would collect for us and return to us as income tax which any province would normally receive.

If you add your 15 and 11 million, you have 27,557,000 out of a total budget of 87 million and roughly, we could say on these figures that the Federal assistance to this Government in the coming year is 27 and we are paying 60 ourselves. Is that a fairly accurate, but rough estimate?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, I've got some percentages worked out. With respect to O & M, if you disregard the Grant-in-lieu of Income Tax and assume that we could get that by other means, the operating grant, the \$15,951,000.00 amounts to 21 per cent of our anticipated O & M expenditures.

With respect to capital, I don't have an exact percentage, but virtually all our capital money does come from the Federal Government in one form or another, but on the O & M side, 21 per cent of our income is comprised of a straight outright grant.

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

**Mr. Chairman:** Shall I record the Bill without amendment?

**Some Members:** Agreed.

**Mr. Chairman:** Bill Number 4, Loan Agreement Ordinance 1977, Number 1.

*(Reads Clause 1)*

**Mr. Chairman:** Is there any general debate on this Bill?

Are there any amendments to Clause 1?  
Shall Clause 1 carry?

**Some Members:** Clear.

**Mr. Chairman:** Two (one):

*(Reads Clause 2)*

Clear?

**Some Members:** Clear.

**Mr. Chairman:** Three (one).  
**Mrs. Watson?**

**Mrs. Watson:** Mr. Chairman, to finance community improvements, is that the Capital Assistance Program?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, that is correct.

**Mr. Chairman:** Three (one):

*(Reads Clause 3)*

**Mrs. Watson?**

**Mrs. Watson:** Mr. Chairman, I would like an explanation of 3(1)(b). That isn't very clear.

**Mr. Williams:** Mr. Chairman, that just says that the Agreement will cover not only the repayment of the capital, but we have to repay interest to the Government as well. Every quarter, the Federal Government publishes a list of interest rates, and if we borrow money from them during that quarter we pay that interest rate, and therefore the Agreement with them provides for the

repayment of principal as well as interest.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, how much of the monies do you draw down? You don't draw down all of it right away?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, no, we only draw it down as we require it. For instance, if one of the municipalities decided that they needed some money, we would then at that point in time go to Ottawa and borrow the money and re-loan it to them. We don't draw it down all at once in anticipation of it being required. To do that would result in needless interest expenses, so we wait until there's an actual requirement put to us and then we draw it down.

**Mrs. Watson:** Does Mr. Williams, off of the top of his head, know the interest rate at the present time? I know it varies.

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** It changes every quarter. We'll be getting a new schedule as of April 1, in two more days, and it varies with the length of the loan, but if memory serves me correct, right now one to five year money is costing us about 8½ and that goes upwards to 9½ to 9¾ for thirty year money, but as I say, the interest rate changes every quarter.

**Mrs. Watson:** And the length of it makes a difference. Mr. Chairman, what length are these loans — twenty, twenty-five, thirty year loans?

**Mr. Williams:** Mr. Chairman, once again it varies with the loan. For instance, if we borrow money to re-loan to municipalities, the length of the loan would be in accordance with their Bylaw, so if the Bylaw calls for the borrowing of money to be repaid over fifteen years, then we, in turn, would borrow fifteen year money. On land development, if it's a project which is going to be built immediately and it looks like the lots will be sold immediately, we might only borrow money for two or three years. If it was a project that was going to extend beyond two or three years, we would borrow it for five years, so the length of time varies.

**Mr. Chairman:** Clear? Four (one):

*(Reads Clause 4)*

**Some Members:** Clear.

**Mr. Chairman:** Mr. Lengerke?

**Mr. Lengerke:** Mr. Chairman, I just caught one thing there. I would like an explanation.

Is the same interest schedule applied to Central Mortgage and Housing Corporation second mortgage funds? Is that -- is there any variation to that?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, that particular program is one that's in virtual disuse right now. I don't think we get more than three or four applications a year and in those particular cases I don't recall the details of the program, but under certain circumstances, if a person is building a brand-new house, they can borrow up to \$2,000.00 from the Territorial Government. The program is administered for us by Central Mortgage and Housing and I believe they charge, they are charged, the borrowers are charged the Central Mortgage and Housing Second Mortgage Interest Rate, whatever is prevailing at the time.

**Mr. Chairman:** Five (one):

*(Reads Clause 5)*

Clear?

**Some Members:** Clear.

**Mr. Chairman:** The Commissioner of the Yukon Territory, by and with the advice and consent of the Council of the said Territory, enacts as follows: Loan Agreement Ordinance, 1977, Number 1.

Shall the preamble and title carry?

**Some Members:** Agreed.

**Mr. Chairman:** Shall I report the Bill without amendment?

**Some Members:** Agreed.

**Mr. Chairman:** Okay, I'll declare a brief recess.

*(Recess)*

**Mr. Chairman:** Bill Number 5, An Ordinance to Amend the Community Assistance Ordinance.

The Minister of Local Government is not with us, he's over at the negotiations this afternoon. If there are going to be any problems with this Ordinance, perhaps we'd better defer the reading of the Bill?

**Some Members:** Agreed.

**Mr. Chairman:** Clause 1:

*(Reads Clause 1)*

Is there any general debate?

**Some Members:** Clear.

**Mr. Chairman:** Any amendments to Clause 1?

**Some Members:** Clear.

**Mr. Chairman:** Two:

*(Reads Clause 2)*

Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, just a small item here

— council means a town or a city. I wonder, isn't there a provision in the Municipal Ordinance for a villate?

**Mr. Chairman:** Mr. Williams.

**Mr. Williams:** I believe that's correct, Mr. Chairman, but at this present time ...

**Mrs. Watson:** It doesn't apply.

**Mr. Williams:** ... there are no villages.

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Three (one):

*(Reads Clause 3)*

Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, just a comment on 2(2). It's really quite a strange wording. This Ordinance shall be construed as one with the Municipal Ordinance.

However, in 3(1), enables Municipalities to carry on programs of municipal work. That, I trust, means capital works. But we're not saying it, Mr. Chairman.

**Mr. Gillespie:** It certainly covers it, Mr. Chairman. That is the intent, as I understand it.

**Mrs. Watson:** Mr. Chairman, that isn't what it says. It could -- doesn't necessarily have to be capital, the way it's said there. "Program of municipal works" and I think you're -- the whole concept behind this is to loan municipalities money for capital works. Certainly, in fact, under the Municipal Legislation they're not allowed to use the money for operation and maintenance.

**Mr. Gillespie:** In that case, Mr. Chairman, the two Ordinances combined — this one, together with the other — would not permit them to be used for other than capital works with that Municipal Ordinance.

**Mrs. Watson:** Mr. Chairman, you have defeated that by saying, "in case of conflict, the provisions of this Ordinance shall prevail."

**Mr. Gillespie:** Then my only defence is that, under the appropriations, there has been no money voted for other than capital works for the Municipalities. So the Appropriation Ordinance would therefore cover that point.

**Mr. Chairman:** Mr. McIntyre?

**Mr. McIntyre:** Mr. Chairman, the word "works" indicates capital. If it were "work" without the "s" it would be operation and maintenance?

**Mr. Gillespie:** That's an even better line of defence, Mr. Chairman.

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, I was going to say virtually the same thing. It's perhaps not a common expression but it is certainly the intent, to refer to Capital Works and Municipal Works is just defining one type of Capital Works. Perhaps there is a lack of precision in the wording that we could look at for next year, but that is the standard wording that has been used in the past.

**Mr. Chairman:** Mrs. Whyard.

**Hon. Mrs. Whyard:** Mr. Chairman, I think the Honourable Member has raised a very good point and in the explanatory note it refers to it as Municipal Works as well, and I think there should be the name Capital Works somewhere in the Ordinance.

I don't know whether the Honourable Member wishes to ask for an amendment at this stage or whether we should take note of that for future wording.

**Mr. Chairman:** Mrs. Watson.

**Mrs. Watson:** Mr. Chairman, I would like clarification, but I certainly don't want to delay any of it. Really, as far as I am concerned, it should say "programs of Municipal, Capital Municipal Works" or something to that -- but as the Honourable Member from Mayo said, works means capital but I still think that there is a cloudy area there and I am prepared to let it go through but I think that it is a little uncertain.

**Mr. Chairman:** Mr. Gillespie?

**Mr. Gillespie:** Certainly, it could be made clearer than what it is, and if it would satisfy Members, we will undertake to look at it and take notice of it for next year, with a view to clarifying the wording at that time.

**Mr. Chairman:** I hesitate to say it, but is it clear?

**Some Members:** Clear.

**Mr. Chairman:** Four (1):

*(Reads Clause 4)*

**Some Members:** Clear.

**Mr. Chairman:** Five (1):

*(Reads Clause 5)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mrs. Watson:** Mr. Chairman, they wouldn't necessarily have to have the levy of an annual tax or taxes, would they?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, I'm not sure that I understand the question, but I believe the Borrowing Bylaw does specify how the funds are going to be raised to repay the loan, and that's what that is alluding to.

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** Mr. Chairman, is the Honourable Member implying that a municipality might be in a position where it had funds sufficient to repay without levying an additional tax?

**Mr. Chairman:** That's one possibility.

**Mrs. Watson:** It may be that when they go to borrow the money the first few years, they may not have to provide the -- levy the taxes before the loan -- before they have to pay it all back, they may have to -- Are we almost forcing them to levy a tax?

**Mr. Chairman:** Mr. Williams?

**Mr. Williams:** Mr. Chairman, it's dealt with in another section that a Bylaw may be prepaid, Section 7(2) relates back to this very same thing, but for instance, it doesn't mean that a municipality has got to levy this tax indefinitely. If they come into another source of funds, they can use those funds to repay the loan. This doesn't preclude them from paying it off in another manner; it just says that they must tell their rate-payers how they intend to pay the loan off. If they receive another source of funds, it doesn't preclude them from using the other source of funds to pay the loan.

**Mr. Chairman:** Mrs. Watson?

**Mrs. Watson:** Mr. Chairman, just an observation, it's rather interesting, though, isn't it, that because there isn't any provision in the Municipal Ordinance I'm sure that, when a municipality, in order to borrow money to do a certain thing, they provide for the levy of an annual tax for so many mills to do this. When they've done their thing after ten years there's no provision where they have to take the levy off, is there? It's just sort of built into the base. It has nothing to do with this. It's rather an interesting observation, that's how things go.

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** Mr. Chairman, this is such a -- I think probably in terms such as installation of sewer and water, a major capital investment, and you levy this tax, by the time you have paid for the installation, you require replacement anyway, so ...

**Mr. Chairman:** Six (1):

*(Reads Clause 6)*

**Mrs. Watson:** Mr. Chairman, would it not be well to have a typographical error in 6(1) and say, "on the completion of the works"?

**Mr. Chairman:** I'd like to ask my learned friend from Mayo whether that would be okay.

**Mr. McIntyre:** Mr. Chairman, one of works is a work.

**Some Members:** Clear.

**Mr. Chairman:** Clear, yes.  
Seven.(1).

*(Reads Clause 7)*

**Mr. Chairman:** Mrs. Whyard?

**Hon. Mrs. Whyard:** You almost feel that there should be an additional phrase saying but somebody should be obliged to tell the taxpayers this thing has now been paid for. Otherwise, they're going to go on paying taxes for that specific purpose forever.

**Mr. Chairman:** Clause 7, are we clear?

**Some Members:** Clear.

**Mr. Chairman:** Eight. (1).

*(Reads Clause 8)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Nine.(1).

*(Reads Clause 9)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** Ten.(1).

*(Reads Clause 10)*

**Mr. Chairman:** Clear?

**Some Members:** Clear.

**Mr. Chairman:** The Commissioner of the Yukon Territory, by and with the advice and consent of the Council of the said Territory, enacts as follows: Municipal General Purposes Loan Ordinance.

Shall the preamble and title carry?

**Some Members:** Agreed.

**Mr. Chairman:** Shall this Bill be reported without amendment?

**Some Members:** Agreed.

**Mr. Chairman:** The motion is carried.

*(Motion carried)*

**Mr. Chairman:** Committee will recess until 4:30.

**Mr. Chairman:** I call this Committee to order.  
**Mr. McCall?**

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

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

**Mr. Chairman:** It has been moved by Mr. McCall, seconded by Mr. Fleming, that Mr. Speaker do now resume the Chair.

Are you ready for the question?

**Some Members:** Question.

**Mr. Chairman:** Are you agreed?

**Some Members:** Agreed.

**Mr. Chairman:** The Motion is carried.

*(Motion carried)*

*(Mr. Speaker resumes the Chair)*

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

May we have a report from the Chairman of Committees?

**Mr. Hibberd:** Mr. Speaker, the Committee of the Whole, in accordance with Resolution Number 1, had Mr. Jim Smith, the Chairman of NCPC as a witness and directed me to report the same.

The Committee have also considered Bill Number 1, First Appropriation Ordinance, 1977-78; Bill Number 3, Financial Agreement Ordinance, 1977; Bill Number 4, Loan Agreement Ordinance, (1977) No. 1; Bill Number 6, Municipal and General Purpose Loan Ordinance and directed me to report the same without amendment.

The Committee have also directed me to ask leave to sit again.

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

**Some Members:** Agreed.

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

We will proceed with Bills. When shall Bill Number 2 be read a third time.

The Honourable Member from Whitehorse North Centre?

**BILL NUMBER 2: THIRD READING**

**Hon. Mr. McKinnon:** Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 be read a third time.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 be now read a third time.

The Honourable Members from Kluane?

**Mrs. Watson:** Yes, Mr. Speaker, I'd like to take the opportunity on third reading to give a few observations to my fellow Members in the Legislature and I don't know whether any of us are aware of it, but this First Appropriation Ordinance and this budget is rather a historic budget, because I believe that it is the first time in Yukon's history where the estimates for the Depart-

ment of Health, Welfare and Rehabilitation have exceeded the expenditures estimated for the Department of Education.

In 1976, Mr. Speaker, the total budget 1976-77, the total budget for Health and Welfare was \$11,901,000.00. Education at that time was \$12,502,000.00.

This year, in 1977, Education is \$14,130,700.00, whereas Health, Welfare and Rehabilitation have risen to \$14,401,300.00. I think it's very, very significant, Mr. Speaker. There are reasons for it, I'm sure, because within that Health and Welfare budget are the costs of Medicare and of hospitalization.

On the other hand, it is a little worrying to think that Education, our investment in the future is sort of taking second place. It was just something that I wanted to draw to the attention of the Honourable Members.

Another thing that I think is really quite significant also. We are always hoping and striving to pay more of our own way and to be able to say that we are paying a lot of our own way, but I think we've had a difficult year, we are anticipating probably a rather difficult year.

In 1976-77, our total budget was \$71,694,000.00. The operating grant at that time, and that is the operating grant under the Financial Agreement Ordinance, was \$10,924,000.00. This year, in '77, our total budget is \$87,339,000.00, and yet our operating grant this year increased by \$5,000,000.00, half again as much as last year. We're up to \$15,951,000.00. I should also point out that the capital in the budget this year exceeds the capital that was in the budget last year.

So, Mr. Speaker, it is quite evident, that the Yukon Government is suffering from inflation also and that the Yukon Government for 1977 is looking forward to probably not as prosperous a year as we had hoped.

Before I finish my short little speech, I would like to stress the rather difficult situation that I think we are getting into on our Education and Health and Welfare. I think it is something that every Member of this House has an obligation to watch very carefully on behalf of the taxpayers of the Yukon and on behalf of the youth of the Yukon.

Thank you, Mr. Speaker.

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

The Honourable Member from Whitehorse North Centre?

**Hon. Mr. McKinnon:** Mr. Speaker, just a few points I would like to make on third reading of the budget.

I am proud to be one of the architects of this budget that is presently for third reading. I think that when one examines the budgets of all the other jurisdictions in Canada at this time, there is not one area where one can find the same goods and services being provided to the constituents of that particular jurisdiction in this, an inflationary year, with no additional taxes being put on the people that we represent.

Over and over and over again in the budget, it is hard to detect the small bits of praise that come to the government of Yukon amongst the questions, and the very valid questions that Honourable Members raise in the budget speeches. But over the course of the last few weeks, we have heard that we do have a fine dental program in our Yukon schools; that we have got a darn good education system, Mr. Speaker; that we have got

as good a hospital system in place as anywhere in the country; that our Medicare system doesn't have to take a back seat to anywhere in the country; that our medical evacuation program is a unique program and a good one.

Our Community Assistance program is the finest in the country anywhere; that the land development program, which the government is sponsoring, is also one of the best land development programs that one can find. Our highways system leaves very little to be desired and our library system comes in for praise from all the communities and all the people of the Yukon Territory.

So, you know, when one listens over a four week period of budget debate, you sometimes wonder if the government is really ever doing anything right. I think, Mr. Speaker, that we did present a responsible budget, a balanced budget, one that took into account the inflationary spiral that we're all being affected by. We are living within our means, we are not going to let the people of the Yukon suffer from the goods and services that they enjoy at a level which is equal to any in Canada and better than many areas. We're not going to burden the people of the Yukon with any more taxes because we know the problems that they're having with their disposable income at this time. So I say that I'm proud to be one of the architects in this budget and I'm sure that Members of the House who support the budget, that they could say that they are supporting a responsible budget at this time.

**Mr. Speaker:** The Honourable Member from Whitehorse West?

**Hon. Mrs. Whyard:** Mr. Speaker, earlier this afternoon in our final consideration of the financial bills before us, I had an opportunity to point out, with the assistance of Treasury, that this government is now covering 80 per cent of its Operation and Maintenance costs out of its own resources with assistance from the federal government to the tune of about 20 per cent. I think that's a pretty good record and I don't see very many provinces in Canada which could compare with it.

Also, Mr. Speaker, the overall increase in man years in this budget represent barely 1 per cent and I don't see any other jurisdictions in Canada meeting that record either. There has been an overall increase of 11.8 man years out of 1,292 and that is a pretty good percentage, Mr. Speaker, in these times.

I am not ashamed of any of the additional man years we have added in Health, Welfare or/and Rehabilitation. These are mainly requirements in our Correctional and Probation system which has been supported by the Public Service Alliance, the Public Service Commissioner, my branch staff and the Sub-Committee on Finance. And their agreement, Mr. Speaker, certainly endorses mine.

I have no apologies to make to the people of the Yukon for the way we are operating in this Department. We are trying to comply with the requests of the people of the Yukon in every branch and we will continue to do so within the limits of our resources.

Thank you, Mr. Speaker.

**Mr. Speaker:** The Honourable Member from Whitehorse Porter Creek.

**Hon. Mr. Lang:** Yes, Mr. Speaker, I notice that there were some statements made in relation to the Department of Education, the monies allocated in that particular area. The only thing I would like to say, Mr. Speaker, is that with the monies that we have allocated in this particular area, on behalf of the government of the Yukon Territory, we presently have one of the lowest teacher/pupil ratios in Canada and also at the same time, one of the most qualified complement of staff in the teaching profession in any jurisdiction in Canada. So I don't think that the children of, the students of Yukon are going to be suffering by any means. In fact, I think it will be enhanced with the new program that has been agreed to by all Members, the Teacher Training Program, if that gets under way, I think that this will be a very positive step for the education system of Yukon, Mr. Speaker.

**Mr. Speaker:** Any further debate?  
The Honourable Member from Whitehorse Riverdale?

**Mr. Lengerke:** Yes, Mr. Speaker, my words are very brief.

As I spoke about the budget when it was first introduced, I said and recognized that it was a very responsible budget. I feel that way today. I do however, and I said at the time that I would have liked to have seen it probably increased because I know that we are going to be going into a doldrum year. The economic situation is down and I would have liked to have seen something in the budget that would have accelerated some jobs for the man on the street.

This is the only thing that I regret, Mr. Speaker, but otherwise I can say that I feel it is a responsible budget.

**Mr. Speaker:** Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mrs. Watson:** Mr. Speaker, I want to call division, I don't think it is healthy for any budget to pass through any House without a division.

**Mr. Speaker:** Division has been called.  
It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 be now read a third time.

Madam Clerk, would you now kindly poll the House?

**Madam Clerk:** The Honourable Mr. McKinnon?

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

**Madam Clerk:** The Honourable Mrs. Whyard?

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

**Madam Clerk:** The Honourable Mr. Lang?

**on. Mr. Lang:** Agreed.

**Madam Clerk:** The Honourable Member, Mr. McIntyre?

**Mr. McIntyre:** Yea.

**Madam Clerk:** The Honourable Member, Mr. Berger?

**Mr. Berger:** Agreed.

**Madam Clerk:** The Honourable Member Mr. Fleming?

**Mr. Fleming:** Agreed.

**Madam Clerk:** The Honourable Member Mr. McCall?

**Mr. McCall:** Agreed.

**Madam Clerk:** The Honourable Member Mrs. Watson?

**Mrs. Watson:** Disagree.

**Madam Clerk:** The Honourable Member Mr. Lengerke?

**Mr. Lengerke:** Agreed.

**Madam Clerk:** Mr. Speaker, the results of division are ten yea, one nay.

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

*(Motion carried)*

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

The Honourable Member from Whitehorse North Centre?

**Hon. Mr. McKinnon:** Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

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

*(Motion carried)*

**Mr. Speaker:** Bill Number 2 has passed this House. The Honourable Member from Whitehorse North Centre?

### Bill Number 3 — Third Reading

**Hon. Mr. McKinnon:** Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 be read a third time.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 be read a third time. Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

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

*(Motion carried)*

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

**Hon. Mr. McKinnon:** Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

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

*(Motion carried)*

**Mr. Speaker:** Bill Number 3 has passed this House. The Honourable Member from Whitehorse North Centre?

### Bill Number 4 — Third Reading

**Hon. Mr. McKinnon:** Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 4 be read a third time.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that

Bill Number 4 be read a third time. Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

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

*(Motion carried)*

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

**Hon. Mr. McKinnon:** Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 4 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that the title to Bill Number 4 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** I shall declare that the Motion is carried and that Bill Number 4 has passed this House.

*(Motion carried)*

**Mr. Speaker:** The Honourable Member from Whitehorse North Centre?

### Bill Number 6 — Third Reading

**Hon. Mr. McKinnon:** Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 be read a third time.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 be now read a third time.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** I shall declare the Motion as carried.

*(Motion carried)*

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

the Bill?

**Hon. Mr. McKinnon:** Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** I shall declare the Motion as carried.

*(Motion carried)*

**Mr. Speaker:** Bill Number 6 has passed this House. It would appear that we are now prepared to receive assent to certain Bills passed by this House.

**Sergeant-at-Arms:** Order, the Commissioner of the Yukon Territory.

**Mr. Speaker:** Mr. Commissioner, the Assembly has passed a number of Bills to which, in the name and on behalf of the Assembly, I would respectfully request your assent.

**Madam Clerk:** Public Bill Number 1, Second Appropriation Ordinance, 1976-77.

Number 2, First Appropriation Ordinance, 1977-78.

Number 3, Financial Agreement Ordinance, 1977.

Number 4, Loan Agreement Ordinance, 1977, Number 1.

Number 6, Municipal General Purposes Loan Ordinance.

Number 11, An Ordinance to Amend the Liquor Tax Ordinance.

Private Member's Public Bill Number 102, An Ordinance to amend the Liquor Ordinance.

**Mr. Commissioner:** I hereby give assent to the Bills as enumerated by the Clerk.

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

The Honourable Member from Whitehorse Riverdale?

**Mr. Lengerke:** Mr. Speaker, I move that this House do now adjourn until April 12th.

**Mr. Speaker:** Is there a seconder?

**Mr. Fleming:** I'll second that Motion.

**Mr. Speaker:** It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the

Honourable Member from Hootalinqua, that this House do now adjourn until April 12th.

Are you prepared for the question?

**Some Members:** Question.

**Mr. Speaker:** Are you agreed?

**Some Members:** Agreed.

**Mr. Speaker:** I shall declare the Motion has carried.

*(Motion carried)*

**Mr. Speaker:** This House now stands adjourned until 10 a.m., April 12th.

*(ADJOURNED)*

