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Debates & Proceedings

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Speaker: The Honourable Donald Taylor

Whitehorse, Yukon Territory

November 24, 1977

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

We will proceed at this time with Prayers.

Prayers

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

Mr. Hibberd: Mr. Speaker, I rise on a Point of personal Privilege this morning. I gather from the reports in the media that the Minister of Northern Affairs has spoken to the issue regarding correspondence that I had with him regarding the *Legislative Assembly Ordinance* and in that correspondence with him, I asked for a reply and that we would not proceed with further consideration of the Bill until we had given him the opportunity to reply.

I think it is indeed unfortunate that this personal communication, I have learned his reply through the news media and I, as yet, have not received a reply from the Minister himself. I think it is indeed an unfortunate discourtesy to myself and the Committee and it is really a disregard of this House. I think it is most unfortunate that he chose to take this route, but I do not intend to take it further along this line of debating in the media, and I intend to communicate to the Minister regarding my feelings in the way he has handled this matter.

Mr. Speaker: We will now proceed to the Order Paper.

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any Documents for Tabling?

Reports of Committees?

Petitions?

Introduction of Bills?

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

Notices of Motion or Resolution? Are there any Statements by Ministers?

This then brings us to the Question Period.

The Honourable Minister of Education.

QUESTION PERIOD

Hon. Mr. Lang: Mr. Speaker, I have for tabling an answer to written question number 17, relating to Federal Government housing.

Mr. Chairman: The Honourable Minister of Highways and Public Works.

Hon. Mr. McKinnon: Mr. Speaker, I have for tabling a legislative return, in answer to written question number 17, concerning the status of the Whitehorse fringe area franchise agreement with Yukon Electrical.

I also have for tabling a legislative return in answer to Ms Millard's question of November 21, concerning the Science Council of Canada Report, Looking Northward.

Mr. Speaker: The Honourable Member from Ogilvie.

Question re: Training and Hiring of Native People in YTG

Ms Millard: Mr. Speaker, a written question for the Minister of Manpower. Will the Minister outline to us the programs and policies being implemented or considered, by his department, and other departments in the Territorial Government, to ensure that native people are trained and hired in the administrative area of Territorial Government.

Mr. Speaker: The Honourable Minister of Education.

Hon. Mr. Lang: Mr. Speaker, I should just clarify one point in respect to the question being asked, that in respect to hiring in the Government, it is the responsibility of the Public Service Commissioner, not my department.

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

Question re: Alcoholism Treatment and Transportation Costs

Ms Millard: Another written question to the Minister of Human Resources, concerning patients who require alcoholism treatment in Whitehorse, who live in outlying areas.

1) What is the difference in practice concerning transportation and treatment costs for the person of Indian and white status?

2) What is the transportation and treatment cost to the individual who wishes to attend alcoholism treatment in Whitehorse, and can pay for the treatment themselves? What percentage of patients from inside and outside Whitehorse pay for treatment themselves? Of this percentage, how many are Indian status?

3) Will the Minister consider a change in policy to equalize the situation so that patients of white status receive equitable service to those of Indian status, to encourage greater use of alcoholism facilities in Whitehorse?

Mr. Speaker: Are there any further questions?

We will then proceed to motions.

ORDERS OF THE DAY

MOTIONS

Madam Clerk: Item 1, standing in the name of the Honourable Member, Mrs. Watson.

Mr. Speaker: It would appear that the Honourable Member is not present today, and perhaps this motion could be stood over on the Order Paper for our next sitting.

Mr. Speaker: We will now proceed to Public Bills.

PUBLIC BILLS

Madam Clerk: Second reading, Bill 6, *Labour Standards Ordinance*, standing in the name of the Honourable Mr. Lang.

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

Hon. Mr. Lang: Mr. Speaker, in view of the fact that a special committee has been struck to look into this particular area, I would seek unanimous support of the members to withdraw this Bill from the Order Paper.

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

Some Members: Agreed.

Mr. Speaker: Are there any contrary? The Bill is so withdrawn.

Madam Clerk: Second reading, Bill 12, *Electoral District Boundaries Ordinance* standing in the name of the Honourable Mr. Lang.

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

Bill 12: Second Reading

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre that Bill Number 12 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre that Bill Number 12 be now read a second time.

Motion agreed to

Mr. Speaker: Shall this Bill now be referred to Committee of the Whole?

Some Members: Agreed.

Mr. Speaker: So ordered.

We will now proceed to Private Member's Public Bills.

PRIVATE MEMBER'S PUBLIC BILLS

Madam Clerk: Bill 101, *An Ordinance Respecting the Legislative Assembly*, standing in the name of the Honourable Member, Mr. Hibberd.

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

Mr. Hibberd: Next sitting, Mr. Speaker.

Mr. Speaker: The Honourable Member from Pelly River?

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

Mr. Fleming: I second the motion.

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.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I call Committee to order. We will be proceeding with consideration of Bill Number 9, *Workmen's Compensation Ordinance*. I will declare a brief recess.

Recess

Mr. Chairman: I call Committee to order.

Now that our witnesses have been excused, members may wish to further debate the *Workmen's Compensation Ordinance*.

Now, I am lead to believe that there are amendments being proposed to the Ordinance, and so, at this time, I will not clear any of the clauses.

Mr. Lang:

Hon. Mr. Lang: What would you propose that we do, in respect to the Bill?

Mr. Chairman: Well, the indication was that, with the witnesses present, Members were not permitted full debate and they requested the opportunity to do so before the clauses were cleared so this is what we will now do.

Mr. Lengerke:

Mr. Lengerke: Go ahead, I will..

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, with respect, there are two sections of this Ordinance, which do have a timeframe, from the point of view of the Workmen's Compensation Board, it is important to obtain assent.

These are the sections which have to do with the maximum wage rate for the coming year, which employers must be advised of now, in order to make arrangements. As you have seen in your White Paper, there are several explanations for this.

There is also a new class of coverage, for insured workers, in the Yukon, which is urgently required and if there is going to be any delay in the general policy or principle debated in the Bill, I would have some problem of how we are going to meet these time demands.

Mr. Chairman: How urgent are your time demands, Mrs. Whyard?

Hon. Mrs. Whyard: I would think within two weeks, Mr. Chairman.

Mr. Chairman: Well, that should be okay. I am led to believe that the proposed amendments will be available at the beginning of the week, so we will proceed when they are available.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, you talk about proposed amendments. I do believe that the government should have the opportunity of going through the Bill now and hear what the general principles of the amendments are. I know that one is the board, concept of the board as opposed to being an advisory position. In respect to the appeal procedure, we would like to hear exactly what people have to say in this particular area.

Mr. Chairman: That's why I asked for debate at the present time, Mr. Lang.

Hon. Mr. Lang: Are you going through it clause by clause?

Mr. Chairman: Yes. Mr. McCall?

Mr. McCall: There is one difficulty, Mr. Chairman, as I pointed out at the end of the day yesterday, that it would be only fair that we have the Regulations as was requested yesterday. I was wondering if the Minister could advise us the point at where these Regulations are in order to assist us with this particular set of amendments.

Mr. Chairman: I would point out these are only draft Regulations that you are referring to, Mr. McCall?

Mr. McCall: I am aware of that, Mr. Chairman.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I have a second draft of these Regulations which are occupational health and safety regulations, not directly related to this discussion. They are available. I would caution all members to keep in mind that these are only drafts, they are now being discussed with labour and management and the people involved in them and there may be very many changes before they finally are approved.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, this might be in the form of a question to the Minister, when I get done with my remarks. I have got some general remarks to make about this, and they are prompted again by representation from constituents, representation from certainly business people who are concerned, and I guess they are concerned as their concerns now have been just highlighted, because of the work we are doing with respect to this Ordinance in the House. So now they are really starting to ask questions, and I am sure, Mr. Chairman, as we continue there will be more.

A lot of businessmen don't even understand the benefits of Workmen's Compensation and some of the rules and regulations that pertain to it.

I am finding that a lot of them are paying into it, just because they have to pay into it and they don't question it any further than that.

Now, I know that we can't take that responsibility for them, but I am wondering if, maybe, the Minister could tell me if there is some sort of publicity, some brochures, some infor-

mation, or whatever, that goes out to every businessman. Is there some explanation to them, that they know what is ahead of them in doing this, what the benefits are? Because, really, I am quite concerned that, by the questions that have been asked just in the last couple of evenings that something is wrong and I think we should be doing a better job of telling them what the law is.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, there definitely is a supply of information and brochures and educational material, and I am assured that this has been made available to all employers and they are constantly being circulated from the Board, or from the Administrator of the fund, with any changes or adjustments and the reasons for them.

I would think if I were an employer, I would be pretty frantic if there were no such umbrella covering me for damages to my employees, and I really cannot understand why an employer wouldn't appreciate the fact that he has an insured fund.

I would think, Mr. Chairman, that the Administrator would welcome inquiries from any employers in the Yukon who do not feel they have sufficient information about Workmen's Compensation.

Mr. Chairman: Mr. McCall.

Mr. McCall: Perhaps I could also reiterate what the Minister was saying. I believe it was approximately two and a half years ago that I requested, from the Minister's office, information which was forthcoming in very large quantities, which was given to one of the larger industries in the Yukon, and I think they used it extremely well, and that is the very informative little booklet, dealing with Workmen's Compensation, which is very informative for not only the employer, but the employee. It is well worthwhile.

So, there is a lot of information available if you contact the office.

Mr. Chairman: We will go through clause by clause. I will just call the clauses out. If there is any consideration, just let me know.

On Clause 2

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: With respect, and perhaps I have misunderstood your intent, is there a reason for not clearing any of these sections as we go through?

Mr. Chairman: Yes, there is. As you know, Mrs. Whyard, there are amendments proposed. I do not know what those amendments are, so it is very difficult to clear the clauses until I know what the amendments are going to be.

So, at the request of Committee members, I have withheld clearing them.

Hon. Mrs. Whyard: Until this reading, Mr. Chairman.

Mr. Chairman: Until the amendments are available. I think there are also some Government amendments that are going to be necessary, as well, considering the debate that has gone one so far.

Hon. Mrs. Whyard: Yes, Mr. Chairman, but the usual procedure, in Committee, is that we clear those sections for which no amendments are required, as we go through the Bill.

Mr. Chairman: Mr. McCall?

Mr. McCall: Being one of the individuals that will be proposing amendments, Mr. Chairman, a substantial number of these sections in the amendments brought forth will be affected. Just how they are going to be affected I am not quite sure yet, they are under legal advice right now, and I requested, Mr. Chairman, that they take it under consideration, these amendments which will be coming forward next week. I

am not sure just how it is going to affect the proposed amendments before us right now, it could affect them all. I am not quite sure yet.

What we will be doing is clearing through sections that are going to be amended and that, to me, doesn't make any sense.

Mr. Chairman: We are going to get bogged down again in procedural things. The Chair has stated that we are not going to clear any clauses, I am not going to clear any clauses, now is there any debate regarding Clause 2 at the present time?

Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, in respect to what the Honourable Member has said, I think that it would be advantageous if the Member has these amendments written up, which he indicates that he has, they are under legal advice, maybe he could make them available to all members so that they have the opportunity of looking them over over the week-end. It's a very serious Bill and you are going to have to have time to look at it and see how it does affect the Ordinance itself.

Mr. Chairman: Mr. McCall?

Mr. McCall: Mr. Chairman, that's what I was saying. They are under legal advice, and as soon as they are ready I will make them all available. That's why they will not be introduced until next week, Mr. Chairman.

I have also advised the Minister concerned with this Bill of my intent, so I am not leaving anybody in the dark. But until the Legal Advisor has said it is okay, the language that is. I have not got the material to provide to you, but if you want the rough drafts I can get you those, there is no problem.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, I see no problem anyway, either way, because you can't clear—, you might clear some sections of the Bill, the Bill is still here, so why don't we carry on as the Chairman says and go through it and then when the amendments are here we can clear it all at once, can't we.

Mr. Chairman: It's so often we get bogged down in the procedural business, so I have made the ruling, I am not going to accept any more debate on how we are handling it, we will now proceed with further debate on Clause 2. Is there any further debate on Clause 2?

Mr. McCall?

Mr. McCall: Yes, Mr. Chairman, I have reservations on Clause 2. As I started to speak on it in the previous discussion we had when the witnesses were before us, my concern on Section 2, leaves me with great concern that we are giving very, very loose powers to the Commissioner or his administrator, which to me is not really the intent of this particular piece of legislation.

As I pointed out in my previous remarks, that when you read the existing legislation, an individual that may have a claim just runs around completely in an ever decreasing circle from the referee to the Commissioner, then back again. It has been now suggested that we even involve an administrator on behalf of the Commissioner which is only going to dirty up the picture even worse and which will, in all intents and purposes, probably defeat the intent of a person having a legitimate claim before the *Compensation Ordinance*.

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, from the remarks of the Honourable Member, is it his intent to just to have one step in respect to just going to the Board and that is the final decision, because it is my understanding that when a person goes for a claim, they can go to the Administrator. If they are not happy with what the Administrator says, they go to the referee, which is the Advisory Board. If they are not happy there, they can go to the Commissioner.

So, is it the intent of the Honourable Member that it just have one procedure, you go to the referee and the ball game is over?

Mr. Chairman: Mr. McCall.

Mr. McCall: Mr. Chairman, I think, to start off with, I am not the person that presented this Bill and the question should be directed to the Minister concerned with it, not to me.

But, to try and answer the Minister's question, my concern is that the present procedure we have under Workmen's Compensation is not the proper procedure. It never has been and it should not be, because we should have a Workmen's Compensation Board per se, not a referee, not an administrator, but a Workmen's Compensation with the Ordinance. This is my basic concern.

Now, if we had the Workmen's Compensation Board, they could conduct their affairs accordingly. They will decide through the claims and adjustments that go on through Workmen's Compensation. It is not for me to dictate, and neither is it for a Commissioner to dictate, because, if we study the Yukon Housing Corporation, which the Minister is responsible for, they have their autonomy. They will conduct their affairs accordingly, without too much interference.

We can always change the legislation, that is, I suppose, our job, but the point is that the Workmen's Compensation has the same autonomy, if it was in existence in the Yukon, which it is not, all we have is an advisory board. I can take or not accept the advice of any advisory board. That is my decision I would have to take.

But, it has no useful purpose if you are trying to enforce or take into consideration any claims or adjustment under a piece of legislation like the Workmen's Compensation.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, the Honourable Member is saying, in effect, that he is going to bring in amendments which, in their place, will affect this section. So, is he asking us to stand it over until he brings in the amendment? Is that what he is asking?

Mr. McCall: Mr. Chairman, I have already taken and accepted your position and decision on this particular matter.

Now, I am prepared to go through debate on the sections before us. When we come to the proposed amendments, next week, then we will discuss them at that time, but I have already accepted and acknowledged your decision on this matter and we are discussing Section 2.

I have just merely pointed out my concerns in Section 2, Mr. Chairman.

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, I would like to further ask the Honourable Member, when he talks about the Board and the referee being an independent autonomous body, is he indicating then that we should be putting the Board on a full time basis?

I recall very vividly, in earlier debate, that the Honourable Member was talking about the creeping bureaucracy and this kind of thing. It is my understanding that the claims that are presently, the Board handles, are minimal when you are comparing yourself to another provincial jurisdiction so I am wondering if he is looking at this as a part-time basis for the board or just what criteria is he using?

It's a very serious matter that we are looking at right here in the basic principle.

Mr. Chairman: Mr. McCall?

Mr. McCall: Mr. Chairman, with all due respect to the Minister, the position he is putting himself in as far as being naive, my concern is this: I am not going to dictate to the Workmen's Compensation Board if it should be established.

If the workload warrants the full-time basis, then that will be taken into consideration, but that is not for me to dictate. The Minister already knows the answer to his own question. I cannot give him that answer.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, with respect, it's quite obvious that the amendment the Honourable Member from Pelly River is suggesting would have a significant change in the structure of the Compensation Board, the Administrator, the whole thing, and with respect Mr. Chairman, it would be much better to have a copy of, even the suggested amendments a few days ahead of time so that at that time we could debate properly what he is suggesting and what is in the existing Bill.

The Honourable Member from Pelly River is doing is considerable work on this, I understand, and we must give it our proper attention and make up our mind at that time whether we go this way or the way he is suggesting it. Mr. Chairman, I think we are rather wasting our time by chatterboxing at the present time.

Mr. Chairman: Inevitably, we are going to have to be repetitive, and I would suggest that we do limit debate on the areas where the amendments are going to be directly involved with. We still have to go through the Bill at this time if there might be other proposed amendments forthcoming. It is the subject of debate to reach those conclusions so we have to do it at this time.

Is there any further debate on Clause 3? Mr. McCall?

Mr. McCall: Here again, Mr. Chairman, there will be a substantial effect on Clause 3 in the proposed amendments.

On Clause 4

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, back to Clause 3. Is the Honourable Member inferring now that the Board is going to have the ability of raising the rates as well in respect to the amendments that he is looking at? Without—totally autonomous. I think it is very serious.

Mr. Chairman: Mr. McCall?

Mr. McCall: I would say, without having the total authority to be in a position to say this, that that will be definitely taken into consideration.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, just one more question on 4.(3). The Legal Advisor, the law clerk who was here, and it is more or less a question of interpreting for me what the drafting actually means. It says there that an employer can apply for compensation on behalf of one of his employees, and it lists them a, b, c, and d.

It says "the compensation may, upon the application of the employer, be paid". Does that mean that he applies for the Compensation Board to be covered? We are just saying that compensation can be paid in case of an accident or a disability or an illness.

Mr. Cosman: Mr. Chairman, I wonder if the Honourable Member is suggesting that the section is wide enough, that there is a possibility that where an accident has happened, and then a claim for compensation is made, that this section would operate in that case? Is this the essence of the question?

Mrs. Watson: Mr. Chairman, it says that they can receive compensation, but it doesn't say that the employer has to, it says the employer must apply, but, does it say in other parts of the legislation where that employer then would have to put that person on his assessment roll and also pay a premium on his behalf.

The way it reads to me, he just is eligible for compensation.

Mr. Cosman: Yes, that is the essence of Section 5, as well, is eligibility for compensation and this, subsection 3, is just a further eligibility.

So, wherever, throughout the *Workmen's Compensation Ordinance*, there may be, I would think, is provision affecting coverage for compensation generally, as opposed to a payment.

Mrs. Watson: Mr. Chairman, that is precisely the question. In the other sections where there is a compulsion for the employer to, does that compulsion then include the person that has been applied for in here? I am not sure, and so maybe we could watch for it as we go through, because we wouldn't want them to be eligible for compensation, but not eligible for premiums payments.

Mr. Cosman: Yes, Mr. Chairman, if I may, as well, I would like to have some time to take this into consideration and perhaps speak with the member on the matter.

On Clause 5

On Clause 6

Mr. Chairman: Mrs. Watson.

Mrs. Watson: We shouldn't really clear that, because that would certainly be affected by the amendment.

Mr. Chairman: Pardon.

Mrs. Watson: We just can't clear that section, that's going to be affected by the amendment.

Mr. Chairman: Mrs. Watson, I am not clearing any clauses.

Mrs. Watson: Okay, fine.

Mrs. Watson: Mr. Chairman, I think this again brings out what I meant in that other question of the legal advisor that I questioned in 4.(2). This one where it is the member's family, it says the application shall be made by the employer and shall contain the names and so on, but we don't do that for that other section.

Mr. Cosman: I am sure that there is a general application section that applies to Section 5 generally, and therefore 5.(3) that is suggested, that we were discussing earlier would fall into that general clause.

On Clause 7

On Clause 8

Mr. Chairman: This Section is to be reviewed.

On Clause 9

Mr. Chairman: Mr. Berger?

Mr. Berger: Mr. Chairman, if I may go back to Clause 5, I am interested, and I don't know if I asked the question or not, but to me it could be possible, I can see it possibly in this Section to create unfair competition by outside firms coming into the Territory and competing for jobs in the Territory, particularly in seasonal work and coming up on the pipeline. I could think of flight contracts, helicopter contracts, airplane contracts on a seasonal basis of one month or two months, and what assurance do we have that those companies or people are going to be rated the same rates as the same companies working in the Yukon, already there? I don't think there is any assurance in here whatsoever, and this could be substantial money we are talking about here, right now, if they would be following on a different rating say in Alberta or in BC.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, there is no provision for giving them any other rates than the ones we have here.

Mr. Berger: Mr. Chairman, with all due respect, but 5 doesn't say that. It says: "The Commissioner may enter into an agreement with the Worker's Compensation Board of any

province providing for the payment of compensation", then at the end it says: "as the case may be, to avoid a duplication of assessments." In other words, the company, or the person in question, the reason I am questioning it, he is already being assessed in the province, maybe Alberta or anyplace, so in other words, we no longer assess them in the Yukon.

Hon. Mrs. Whyard: Mr. Chairman, I wish the Honourable Member had asked this question yesterday, when we had our witnesses with us, but it is my understanding that there is no way that anybody could come in here on a contract and employ people in the Yukon without paying the assessment rates imposed upon him in the Yukon.

Mr. Chairman: Ms Millard.

Ms Millard: Mr. Chairman, it says that right after what the Member quoted, it says "in conformity with the provisions of this Ordinance". If people would read what is in front of them.

Mrs. Watson: Mr. Chairman, that is not correct, it provides for an agreement to provide for compensation in conformity with the provisions of this Ordinance for injuries to workers. I think there probably is an answer to it in the amendment, but I don't know where it is.

But I think he has brought up a good question.

Mr. Cosman: Yes, again, I would like to take that matter under consideration, if I could, because, first of all, I have been momentarily researching Mrs. Watson's earlier question to me, and not following the complete gist of the question here, and, again, I hesitate to give off-the-cuff opinion.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: Yes, further to that same thing, I have a question that possibly the Legal Advisor could answer.

In the case, and this would be partially this case, and I will quote an area where it has been done, in such things as our Labour Standards, where the Commissioner can make an order, so that the people that are working do not get the amount of holidays that they are actually required in that ordinance.

I would ask, in this same case that Mr. Berger brought up, could the Commissioner make an order, subject to this Ordinance, that would classify companies at a different rate, that came to work in this country?

Hon. Mrs. Whyard: Mr. Chairman.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: I do not know what your rules are today in this Committee, but we still have two witnesses sitting here in the House, if we could prevail upon them to assist us. I thought we were handling all this kind of question yesterday, when they were with us.

Would the Committee agree to let us recall Mr. Laing and Mr. Booth.

Mr. Chairman: No, I would really wonder at the value of doing it. We are trying to get this through this Legislation. I think that we had ample opportunity to question the witnesses for two days and I really think we should try and proceed with debate, if we can, to get through this Ordinance.

Mr. Fleming: Can I have the answers, Mr. Chairman.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: In all respect, Mr. Chairman, however, the question did not arise, and it has arisen now and I would appreciate an answer, because, in my feeling, it may take three months to put this Ordinance through, but if it takes three months and is done properly and we are assured that nothing like this can happen, which has happened before, and as I have stated, has happened and I can prove it, I would like an answer to that question.

Mr. Chairman: Okay, but you realize that when your witnesses come back in here, general debate is then terminated and that again, we will have to go over that.

You are just creating another round.

Well, we will recess while we recall our witnesses.

Recess

Mr. Chairman: I call Committee to order.

For the record, Mr. Laing and Mr. Booth have rejoined us as witnesses, and I would request of Committee that if they have any more questions to ask of the witnesses, that they do at the present time and there will be no general debate permitted. I would also point out that if general debate is not permitted at this time, any amendments that might be flowing from that general debate would again delay consideration of the Bill a further week, because that will be again next week before we have the opportunity to have general debate on the Bill.

Mr. Chairman: Mr. McCall?

Mr. McCall: Yes Mr. Chairman, I have a question for the witness. I will try to reiterate if I can what the Minister for Education asked of me, and that is the regulating or establishing, I believe, the rates or compensation, whatever it was. Maybe the Minister could reiterate or re-emphasize his question.

Hon. Mr. Lang: Mr. Chairman, really what I wanted to get down to is what is the consequences of the board as a totally autonomous body. Number one, it is my understanding that the board would have the ability to raise the rates. Right now they have to go in by Regulation through the Commissioner and the Executive Committee. Is that not correct?

Mr. Booth: That is correct.

Hon. Mr. Lang: Okay. Number two, in respect to the board, then the board would have the ability of increasing their man years without, in respect to the administration of the Workmen's Compensation, without being subjected to the scrutiny of the Executive Committee and the financial factors that are related thereof.

Mr. Booth: It would depend on how the Members draw the Ordinance. This is the way, as you mentioned it, in the other boards.

Mr. Laing: Perhaps I could elaborate on that a little bit, Mr. Chairman. In the other provincial boards, let's not talk about the Northwest Territories at the moment, but in the provincial boards, the money comes from the employers and the boards have their own budgets and they, in most cases, except the very small ones, they have their own staff and they have their own pension fund, and they have their own fringe benefits, and they have their own staffing policies and personnel and payroll and everything else.

In the Northwest Territories, they use the services of the government, the payroll and personnel services of the government, and they make the employees there public servants of the Northwest Territories, and they pay them on the same scales as are paid to all other public servants, and this was mainly in order to prevent them losing their fringe benefits and their pension rights and the other rights that stem from employment as a public servant of the Northwest Territories.

It is entirely up to the Assembly to decide how it should be handled in the Yukon, whether the staff of the Board would be big enough to warrant having its own personnel and payroll services, or whether they would use the services of the Government, of the Public Service to provide for the employment of the staff.

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Well, Mr. Chairman, it is my understand-

ing that if we were to go and follow the concept of the provinces, on the Workmen's Compensation Board, that they make the decision of how many staff that they need in respect to administering the Workmen's Compensation fund. Is that not correct?

Mr. Laing: That is correct, in the provinces, yes.

Hon. Mr. Lang: Now, Mr. Chairman, a supplementary question: in respect to the Boards, at the present time the Advisory Board, I understand, meets on a monthly basis. Is that not correct?

Mr. Booth: That is correct.

Hon. Mr. Lang: And, if we were to make it a permanent Board, in taking the authority away from the Administrator, they would have to be meeting on a much more continuous basis, than what they are presently now. If they are doing that, then they would either have to be on a part-time or a full-time salary. Is that a fair assumption to make?

Mr. Laing: The Board in the Northwest Territories only meets on a monthly basis, also. The only difference there is the Chairman is on a full-time basis, so the administration work can go on on and on-going basis, but the Board itself only meets on a monthly basis. They have got about twice the number of claims that there are in the Yukon. So, it could be handled quite easily by monthly Board meetings.

The Chairman is a full-time public servant of the Northwest Territories, but he wears a number of other hats, is responsible for a number of other boards and departments within the government.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, a couple of questions for the witnesses: in the provinces, the Legislature does not vote any of the salaries of the workers who work for the Compensation Board. Is that correct?

Mr. Booth: That is correct, just for the Board they do. The Minister of Labour sets the salaries for the Board members.

Mrs. Watson: The board members.

Further to that, now, in the Northwest Territories, in their structure, the Assembly of the Northwest Territories would vote the salaries of the workers who work in the administration of the Workmen's Compensation Board. Is that correct, and then it would be recovered as a source of revenue? But, they initially vote the salary for that many man years. Is that correct?

Mr. Laing: That has been correct, up to now, that the salaries are part of the vote in the Northwest Territories. It is correct that it is reimbursed out of the Fund, but that is undergoing a process of change at the present time, to give more freedom to the Board to decide its own priorities and its own requirements for staffing.

They are still using the assistance of the personnel department, in establishing jobs and job descriptions and that sort of thing.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, just one more further question: so this is going to be changed in the changes that you foresee. Will the control of the man years and the administration of the compensation have anything to do with the Legislative Assembly at all in the Northwest Territories for the future?

Mr. Laing: Directly on a day to day basis, probably not, but on an overall basis, the Ordinance is still an Ordinance of the Assembly, and it can still be—, there is still a report to be made to the Legislative Assembly each year, and still an opportunity to discuss the budgets of the board and to say whether they put the rates up too much or not enough. The

whole matter still comes back through the board to the Legislative Assembly. The Regulations that are made under the Ordinance still have to be signed by the Commissioner.

Mrs. Watson: Thank you.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, in respect, going back to the provinces. If it is an autonomous board, I understand that they set the rates. That is my first question, is that not correct?

Mr. Laing: That is correct.

Hon. Mr. Lang: Okay. My second question, Mr. Chairman, if the legislation were to go forth and to make the board an autonomous body really other than for changing the legislation, the only authority that the government would have if they do not agree with what took place in respect to the assessment and the raising of the rates would be to fire the members? I understand that is practiced in one particular jurisdiction.

Mr. Laing: There would be an intermediate stage. The Commissioner could withhold assent on the Regulation or withhold his signature on the Regulation changing the rates.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, then does the government, or in the provinces, do they have the ability to send it back to the Workmen's Compensation Board and say no they don't agree with the increase and would they review it and come up with say a third less of an increase.

Mr. Laing: No, the procedure is not a direct procedure in the provinces. They don't submit the rates to the government and ask for their permission to levy these rates. They have the right within the Act to levy the rates themselves and they have to stand by the results of that. If they increase them too much all at one time and cause political wrath somewhere down the line, then they have to stand the ultimate consequence, which is being fired.

Mr. Chairman: Mr. McCall?

Mr. McCall: Yes, Mr. Chairman, I would like to project one question to Mr. Laing. Is it fair to assume, Mr. Laing, that this is about the last area in Canada where we do not have a Workmen's Compensation Board?

Mr. Laing: I think it is the last.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: To my question, I think that possibly Mr. Legal Advisor has had a chance to look at that, I wonder if I could have an answer now?

Mr. Cosman: Yes, it is my understanding that Section 4, of the *Workmen's Compensation Ordinance*, as it presently exists, would provide for differential rates and subclassifications within the same industry or same classification of employment, whereby the Commissioner can establish different rates.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, still pursuing the difference between the Yukon and the provinces, in the provinces, the Legislatures have still retained the right, through their legislation, their act, to increase or decrease the benefits. That is the maximum salary, the benefits under pensions, the 75 per cent that we have. Have they retained this right?

Mr. Laing: Yes, Mr. Chairman, the general right to change the benefits and the scale of benefits rests with the Legislature, but they have given away part of that rate to the extent that they have allowed automatic escalation of some of the benefits in proportion to the Consumer Price Index.

Mrs. Watson: Mr. Chairman, I think that is quite significant. I am glad that the witness brought that to our attention.

That is one right that we have given up in our legislation, by the cost of living clause that we have in there, and we did get a message yesterday that that, in itself, is increasing the benefits and in the future, could cause problems within our fund and would require a difference in rates. So that is a responsibility that we would retain, regardless of how we structure it, our Compensation Board.

These are the types of things that we could be addressing ourselves to at this time.

Mr. Chairman: Mr. McCall.

Mr. McCall: Yes, Mr. Chairman, I have another question.

If the Workmen's Compensation Board was set into place, at this point in time, would it be fair to assume, if, in the event of the up and coming major project that is on the horizon, if the Board was set into place at this point in time, prior to any of this particular project getting off the ground, would it be fair to assume that we would be in a fair better position to control any major fluctuation under Workmen's Compensation?

Mr. Laing: I don't really think there is acutary alive to answer that question, because I do not have a crystal ball. It would depend very much on the quality of the character of the people who form the board.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, could we now have the Honourable Member from Klondike repeat his question which is why we brought the witnesses back.

Mrs. Watson: I want to pursue some of the questions relative to the general nature of the board, of the witnesses if we may, in respect?

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, again, the Legislatures have retained the power to increase or decrease benefits, and I think we were told yesterday that the Province of Alberta, when they changed the legislation which increases benefits under the Compensation Board, they underwrite the cost of that increased benefit. Is that correct?

Mr. Booth: Yes, in the case of widows and permanent, total, and partial disability pensions, not the maximum increases every year.

Mrs. Watson: Oh, they don't. Mr. Chairman, that's what I wanted, whether they make the grant that accommodates the maximum increase.

Mr. Laing: No, it is not in regard to the maximum, it is in the regard to the cost of living increases on benefits in respect of past years' accidents only that the tab is picked up by the Consolidated Revenue Fund. The maximum affects the benefits for the current year, but the cost of living index escalation affects all benefits in respect of past actions, and of course it is very difficult for the employers who paid the premiums ten years ago, to have to pick up the cost of living increases that have arisen in 1977 from changes in the cost of living this year. It would be very difficult for insurance companies to pay these increases out of rates that had been set and premiums that had been paid in the past.

Mrs. Watson: Mr. Chairman, our cost of living clause not only picks up the increases in the past, because it applies to pensions and benefits, but it also picks up the benefits for the future. That's where we have a double ridge, rather than the provinces.

Mr. Laing: Yes, it increases the maximum in respect of fringe benefits.

Mr. Chairman: Ms Millard?

Ms Millard: Mr. Chairman, pursuing the questions that Mr. Fleming has been asking and the reply from the Legal Advisor concerning Section 4, and Section 4 simply states that

the Commissioner can pretty well only increase the rates if any particular industry is shown to be so circumstanced or conducted that the hazard is greater than the average of the class, so I would presume if the hazard is greater, the rates would be greater. I was wondering if the witnesses could say what has happened in practice with the Commissioner. Has he changed the rates at all, and if that hasn't happened in the past, what assurance do we have that it won't happen in the future in this legislation that we have?

Mr. Laing: There has been no such use of that power in the past in the Yukon to charge extra rates for special hazards.

Ms Millard: Mr. Chairman, no such use to charge less of a rate?

Mr. Laing: No, but the merit rebate system is an attempt to introduce such a system. Of course it is much better to have merit rebates, than to have special extra premiums for hazards.

Mr. Chairman: Ms Millard.

Ms Millard: Then there is nothing in the legislation, present or proposed, which would allow the Commissioner to make special allowances for any industry, to give them less of a rate?

Mr. Laing: There is complete power within the Ordinance, as it stands now, to set the rates. It is in the Commissioner's hands, rather than in the Board's hands, which it would be in a province, but, I will let Mr. Booth read the Section.

Mr. Booth: "The Commissioner shall, from time to time, assess and levy upon the employers in each of the classes and subclasses, such percentage of the payroll or such other rate, or such specific sum allowing for any surplus or debts in the class". So, if there was a high hazard, he could increase the rate at any time throughout the year.

If suddenly we had had a fantastic disaster, then we could consider increasing the rate at that time, to gather sufficient assessments in that year.

Mr. Chairman: Ms Millard.

Ms Millard: But, Mr. Chairman, my questioning is at the opposite end of the scale, not that the hazard is greater. I can see that and it should be allowed, but is there anywhere that allows him to charge less than what has been established as the class or subclass that is in question?

Mr. Booth: Yes, as we say, we review the rates every year, and if we built up the subclass balance to—. The policy is, of the Board's, is that you look at the size of the class and you should say anywhere from three month's revenue to twelve month's revenue, should be a surplus balance.

We had reached that point and the experience showed that it was going to stay at that point, or was going to increase higher than the surplus, then we would lower the rate.

Mr. Laing: Yes, but apart from the merit rebate system, it would not be done on a blue-eyed boy basis. This employer can get half of the rate, but everybody else has to pay the full rate. It is not done and it has never, to my knowledge, been done on a discriminatory basis. That is the purpose, again, of the merit rebate system, is to avoid it being done on a discriminatory basis. It is done on a formula basis, based on actual claims experience.

Mr. Chairman: Ms Millard.

Ms Millard: Just one last question on that, then, being suspicious by nature, I am just wondering if a class could be created that could be called, for instance, pipeline workers, and be given a special rate because they are pipeline workers. Is that possible?

Mr. Booth: Yes, the Commissioner can set any class or subclass, whichever way he wishes.

Mr. Chairman: Mr. McCall.

Mr. McCall: Yes, Mr. Chairman, I have a number of questions dealing with, perhaps the makeup of the Workmen's Compensation Board.

I note in the act, the Workmen's Compensation Act for the Province of Alberta, which I believe our Ordinance originally originated from, they have a board comprised of not less than three individuals.

I was wondering, Mr. Chairman, and I am asking, perhaps, of Mr. Laing, the magical figure, where it would cover the industry at large, perhaps, private industry or whatever, the employee at large, the public at large and the government.

What in your own estimation, would be the magical figure of a board such as that? Would it be three, or would it be five, or eight, or twelve?

Mr. Laing: I still don't have a wizard's hat or a crystal ball to answer that kind of question. We don't deal in magic numbers. In the provinces, generally, the number is three, and it works very well, (a) because they are full time people, and (b) because there is a representative from labour, and a representative from management, and a neutral chairman usually.

In the Northwest Territories, the Council there in its wisdom increased the minimum from three to five, because they were, apart from the chairman, part-time members, and so in order to be sure that there would always be a quorum and that it wouldn't be, the board would be caused to be unable to deal with the case because one of the part-time members might have to disqualify himself in dealing with a claimant, because he was either an employee of his own, or a member of the same union, and that has happened with part-time boards. They have to disqualify themselves from looking at a particular case because of special interest.

If you got the position there with only three members, you could be left with only two people to adjudicate on that claim, and so Council there thought that a minimum of five was necessary, because they were part-time.

Mr. Chairman: Mr. McCall?

Mr. McCall: I appreciate the comments from Mr. Laing, it helps to clarify one point. I would say that perhaps five is the magical figure to cover up all the concerns that people may have. Taking into consideration, Mr. Chairman, the part-time concept which we will probably finish up with in the Yukon, I notice in the provinces, without looking at the Northwest Territories legislation, that they are appointed by the Lieutenant-Governor, the members to this particular board.

I would like to ask, perhaps, Mr. Laing, if the concept was adopted here that the appointed people to this board would be upon the advice and consent of this Assembly is a far better system than being directly appointed by the Lieutenant-Governor for various reasons?

Mr. Laing: Well, it is my recollection that, in Alberta, it is the Lieutenant-Governor in Council that appoints them and that, in effect, is the Cabinet.

But you raised a good point, because this was discussed a year ago in the Northwest Territories, too. It was felt there that the appointment of members to these boards should stay under the control of Council, and so they retained the power to advise the Commissioner on the appointment of members to the board.

The two remaining members have just been appointed, because they couldn't be appointed until it was taken back to Council for their approval.

Mr. Chairman: Mr. McCall.

Mr. McCall: One final point on that, Mr. Chairman, that would, in essence, protect that autonomy that Board would have by that type of procedure.

Mr. Laing: Yes, it would.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, I am getting back to the increasing the benefits, again.

Just one more question on that and we were talking about Alberta, if they stepped in, increased the benefits, increased pensions, they would pick up the tab.

In the Yukon Territory, now, the situation we have is very similar to what Alberta would do. We have increased the benefits in pensions beyond the cost of living increase. Now, if we were following the Alberta model, would not the Yukon Government pick up the extra cost, the \$12,000 that the Minister was telling us, if we were following the Alberta pattern?

Mr. Laing: Yes, that is the way it would work.

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, I would like to ask Mr. Laing a question here, and he has had a chance to, I understand, do a very thorough analysis and exactly what has gone on in the Workmen's Compensation Board in the last three years, and, in the last year, with the Board being struck the way it presently exists. Is it working well?

Mr. Booth: In the Yukon?

Hon. Mr. Lang: Yes.

Mr. Booth: Yes, to my knowledge, it is working quite well.

Hon. Mr. Lang: Now, Mr. Chairman, I would just like to make a comment. I get the impression that everybody feels that the Commissioner is working on Workmen's Compensation on a daily basis. I would just like to point out that—

Mr. Chairman: What is the question Mr. Lang?

Hon. Mr. Lang: I'll raise it later, Mr. Chairman.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I see I am getting applause here and everything. I have a question for the witnesses, Mr. Chairman. Section 5, my interpretation is this Section provides the assurance to the workman that comes in from out of the Yukon Territory that he is provided with compensation in case of an accident, but it is my interpretation that this coverage is achieved by the assessment applied to in the province where the company or the person originated from. Is that true?

Mr. Booth: No, this is not true. The purpose of this, the agreement, is so that it avoids a duplication of assessments. If an employee who is a resident of Alberta comes to work in the Yukon for six months, and six months, the earnings or the wages that he earned while in the Yukon are reported to the Yukon Workmen's Compensation Fund. The remainder of the wages earned in Alberta is reported to Alberta.

If we did not have these reciprocal agreements, then the employer would be double assessed. We would assess him as an out of the Territory on his assessment, and Alberta would then be allowed to assess him all his wages for the year. This allows him to save duplication of assessments.

It also protects, if he is a resident of Alberta and he is injured in the Yukon, he also has the right to claim Workmen's Compensation in his own jurisdiction, because naturally he is going, he is injured, he is going back to his home, and he would get a much speedier adjudication on his claim if he is right there and vice versa, if a Yukoner is injured in Alberta, he has a right to claim through us or through Alberta. We will reimburse the costs of that claim to Alberta, under the terms of our Ordinance, and if it was a Yukoner, injured in Alberta, Al-

berta would adjudicate the claim under the terms of their Act.

It is basically that you save the employer from being duplicated, paying double assessments.

Mr. Laing: I would just like to amplify one other point. This is not only in connection with somebody coming in for six months and then going out again. It applies to people that travel into the Territory, a trucker, or, if the flying crew were covered, then it would apply to them, too.

Without the reciprocal agreement, Alberta would say, or the other province would say, okay, you have got to be covered on your total salaries because you are working out of Alberta. They would pay assessments on total salaries and then Yukon would say the same, as Mr. Booth has said. With the reciprocal agreement, you can apportion a salary between that part of salary which is relevant to work in Alberta and that part of salary which is relevant to work in the Yukon.

They pay the appropriate assessment rate on the Alberta salary to Alberta's Board, and on the Yukon salary to the Yukon board, at Yukon's assessment rate, yes.

Mrs. Watson: And Alberta on Alberta's assessment rate?

Mr. Laing: Yes.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Just to follow up to that, how do they work it with a commercial traveller, then, that is based in Yukon, travelling back and forth? How is that assessment—?

Mr. Booth: It would be assessed on the time spent in the Yukon and the wages, we would pro rate the wages based on that time, spent in the....

Mr. Lengerke: I would just be an estimated time then?

Mr. Booth: Yes, if he hasn't got it.

In the case of truckers, all Boards have agreed to this policy, that we assess on the basis of mileage, because of fuel tax purposes, they have to record the mileage done in each province or Territory, so therefore, we use the mileage rate, the percentage of mileage times the payroll in each place.

Mr. Lengerke: I see, thank you.

Mr. Chairman: Perhaps Mr. Laing or Mr. Booth could tell me, are all federal employees who are permanently resident here in the Yukon, are they all covered by Alberta Compensation?

Mr. Booth: They are covered under the Federal, their own Federal Department of Labour Compensation. The Alberta Board administer the claims on behalf of the Federal Government, for the Yukon and the Northwest Territories.

Mr. Chairman: Are there any further questions for the witnesses?

Mrs. Watson.

Mrs. Watson: Just the one question, that I asked the law clerk for clarification, and possibly the witnesses are more familiar with the actual legislation, the philosophy of the legislation, for one, where we say an employer, compensation upon application of an employer where the people who are exempt. Then again, compensation for the members of a family. These people would then be covered to pay assessment under 57.(1).

Mr. Booth: Yes, we would, for example, they would be classified in a classification depending on what type of work they were doing, and they would pay the same rate that is proclaimed.

Mrs. Watson: Mr. Chairman, then 57.(1) is broad enough then to interpret these people as employers, and so they have to pay the assessment on behalf of their employees?

Mr. Booth: If they make application.

Mrs. Watson: If they make application, right.

Mr. Booth: We cover it in there by stating "such terms and conditions as the Commissioner directs", and this will be, this is directed again by Commissioner's Order when we set the rates on classifications.

On the application form it states when they make the application, so that the times are prescribed on the application form and also the name. Such terms and conditions, a period of time as the Commissioner appears satisfactory. So what the form states, which says, "can be proclaimed by a form, under the Ordinance". It states on it that I hereby make application from such a date in such an amount. That is the period of time, and he is covered from then on until February 28th. The reason for that is so that at the end of the year we have to send out forms in December for him to make reapplication so that if there is a delay in him receiving this form and getting it back in, he has got two months coverage to reapply. So it protects him with continual coverage.

Mrs. Watson: Thank you.

Mr. Chairman: Thank you again, gentlemen. This afternoon Committee will continue with consideration of Bills Number 2, 11, and 12.

Committee will recess until 1:30.

Recess

Mr. Chairman: I now call Committee to order.

In view of the wishes of many Members of Committee wishing to attend the funeral of Mr. Bert Boyd, I would ask Committee for permission to recess until 3:30.

Some Members: Agreed.

Mr. Chairman: At which time the business before Committee is fairly limited for one reason or another, and I would suggest that at that time we continue with debate on the pipeline agreement and the Resolution dealing with the pipeline committee.

Committee will recess until 1:30.

Mrs. Watson: Mr. Chairman, with your permission, I wonder if we could just briefly go into amend the *Local Improvement District Ordinance*. I know it has gone back to the draftsman, and in my working paper, I have discovered two very significant things that I should bring up, if we could dwell, when we go into Committee, very briefly on these things, we could possibly prevent them having to bring it back in and then back out again.

Mr. Chairman: Fine, will do. Recess.

Recess

Mr. Chairman: I call Committee to order.

We will first deal, at the request of Mrs. Watson, with the amendments to the *Local Improvement District Ordinance*.

Mr. McKinnon, was not present at that time. Mr. McKinnon, Mrs. Watson had some further suggestions to the amendments to the *L.I.D. Ordinance*, which she would like to put forward at this time, because they may require motions to amend.

Hon. Mr. McKinnon: Mr. Chairman, would Mr. Cosman be available then? He was instrumental in the amendments to this Bill, to date.

Mrs. Watson: Mr. Chairman, it is just one point.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Yes, Mr. Chairman, and I would refer, Mr. Chairman, to page 3, Section 3, Clause 11.(2)(1)(2), it states: "Where no manager is appointed in accordance with subsection 10.(5), the Board of Trustees shall supervise and direct the affairs of the district and officers and employees thereof."

Now, there seems to be a conflict or a contradiction to what

is being said in a different section in the amendment that we put through in the First Session of 1975. It is on page 335, in this, really it is 6.(4)(c)

It is the powers that we give to the Chairman. The Chairman shall preside over all meetings and so on, and (c) he shall direct all administrative officers and employees of the district in the conduct of their work, and direct the management of the business and affairs of the district.

So, in that amendment, we have delegated that authority to the Chairman if you don't have a manager. In the amendment that is before us now, we are suggesting the Board of Trustees. We say the Chairman shall on the advice of the Board of Trustees, but in the new amendment of a different section it almost contradicts what was said in that other section, and Mr. Chairman, I certainly prefer the latest amendment myself, personally. The Board of Trustees shall supervise and direct the affairs of the district, and the officers and the employees thereof. That means they can share the workload; whereas in the other you are specifically giving that responsibility specifically to the Chairman.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, I would be pleased to look at that and whether there is in fact a conflict between the two sections.

Mr. Chairman: Anything else, Mrs. Watson?

Mrs. Watson: Mr. Chairman, that was the only point and I thought it was worthwhile bringing it up before the fact.

Mr. Chairman: On to consideration of Items 11 and 12 on your Order Paper.

Now there might very well be overlap in these two Resolutions, but we will start with Item 11.

It has been moved by Mr. Fleming, that the Agreement between Canada and the United States of America on principle applicable to a northern natural gas pipeline and also the release dated of September 9, 1977, by the Honourable Allan J. MacEachen on Canada, U.S.A. agreement on Northern pipeline.

I presume it is to be moved into Committee.

Mr. Fleming.

Mr. Fleming: Yes, Mr. Chairman, this motion to bring the two papers that are under consideration into Committee to be discussed, is, in my opinion, something that we should really, maybe have done previously, or a little sooner, I should say, but, however, we have them here.

My concern will start at the beginning, more or less, of what the agreement with Canada and the United States and the first thing I am interested in is the \$200 million fund, or loan, which is actually a loan now.

I have some concern as to the way this has been handled, right from the start, when the Government came out with reports and so forth, that this \$200 million was, in fact, maybe a Heritage Fund. There is a lot of people believe this yet, although it is absolutely not true and we all know that.

However, there is a lot of people do not know that.

Mr. Chairman: Excuse me, just a minute, Mr. Fleming.

In view of the fact that the principal representing this Government was the Commissioner, would like the Commissioner to be present during this consideration?

Some Members: Agreed.

Mr. Chairman: Carry on, Mr. Fleming.

Mr. Fleming: Yes, Mr. Chairman. My concern with this is that any time that we, as a people, have to borrow monies to prepare us for the damage that is going to be done to our

Territory by somebody else and we are actually borrowing the money from those same persons, and then repay that money, at a very high interest rate, I am expecting, I think is just a little too much for me.

I am sure that it is going to cause a problem. As I go further on, you will see that the payment that we must make back on that will possibly not be coming from our tax revenues that we get from the line. I will clarify that later on, but I am sure I am right.

If we do go to the extent of borrowing all of the money, which I would hope if we do at all we don't have to, I hope we wouldn't have to borrow any, but if we do, then we may get into this situation. The pipeline is going to be a boom and bust situation, we know that. It isn't what is going to happen while it is here that we should consider so much, as to what is going to happen to us after it is over.

Mr. Chairman, I would like to give you an example at this time as to what could happen to us, and I will hit merely one phase that we have in operation in the Yukon Territory that could really be affected by the pipeline operation, and that is the Bill for instance, that is before us today, compensation in this Territory. Whereas big construction companies will come in, there will be considerable amounts of money into the fund, compensation fund, for two to three years but after that boom and bust situation is over and everybody has gone, there is still only a few of us left, we are not going to, I don't think, populate too very fast, and we will be left with the consequences. In this case, I can see it being very, very disturbing when we find that we have ongoing pensions, claims and so forth on for years and years and years, and it can happen, because it is a dangerous occupation and there will be lots of problems.

That's just one example. My contention with the two papers is another matter. The agreement in principle, which you have I think before you, all of you, reads as if we may get \$5 million one year, \$10 million, and \$20 million in the three year period of up to \$35 million.

Each one of them, in the agreement, each statement in the agreement says up to, it does not say we will get that.

If you will read the Minister's statement of September 9th, in Ottawa, there is no problem there if you take it as it reads, it says you will get, \$5, \$10 and \$20, is \$35.

Also, the \$30 million that we are supposedly to get for tax revenue, is the same thing. It says up to that, due to certain ways of taxing and taxation and this, that and the other thing, which I really don't understand, anyway. However, it does say up to.

I take it for granted, then, that we may not get the \$30 million. That is where I am concerned with paying back anything like a \$200 million loan.

The same thing goes for the statement by the Minister, again. He is stating, in that speech, that we will receive \$30 million a year, so there is a very large discrepancy there.

I just would like to know and get some clarification as to just exactly what we are getting, because we could get into and involved in a large loan and we would not even possibly get enough back off of that pipeline to pay it back.

I am very concerned, because I think, in the Throne Speech, it was referred to there as, more or less, definite figures that we would get too and I think the figures were somewhere around in the neighbourhood of, if we borrowed \$2 million, we would end up paying back a certain percentage in, you know, 26, 24, somewhere.

But, the implication was there that we would have \$5 or \$6 million left over every year and I think this is very misleading, when you read the actual agreement, because it does not say that we would end up with \$30 million to pay back that loan.

This is was my great concern in these two, the agreement and the statement by the Minister and I would like some clarification, if I can, from the Government or anybody who can give it to me, Mr. Commissioner, maybe. I hope that some other Members have other things, I think they have.

That was my great concern, because I feel, Mr. Chairman, that we are going to embark on programs and everything to protect ourselves and I feel that maybe we are going to get into it deeper than we can ever get out of it. I would sooner see it left in the, leave the ball game right square on the federal level and let them look after it themselves and suffer our consequences a little bit when we are asking for our taxes, we get them back and we use them for the best of our ability.

Mr. Chairman: Mr. Commissioner?

Mr. Commissioner: Mr. Chairman, I am sorry, I missed the very start of the Honourable Member's question, but I am picking up at the end, I assume he was talking about the utilization of this \$200 million line of credit and if we have to repay that with interest out of taxes that flow from the pipeline, there will be nothing left for us on which we can use for programs, et cetera. Is that correct?

Mr. Fleming: Mr. Chairman, possibly, I am saying possibly, because of the fact, and with all respect, Mr. Commissioner, the actual question, if there was a question, would be, how come that the agreement in principle reads that all these figures that we are going to get for rental and so forth states up to, in the actual agreement, it says up to that much, it does not say we will get that much, then the Minister, in his statement, definitely said that we would. If you read them carefully you will see that he said we would get these figures.

Mr. Commissioner: Mr. Chairman, up to, I am positive, and I was at the discussions at which these figures were developed, means a maximum. We can't go above that, but we absolutely can and will develop a taxation method which will get us that much money each year. It means we must do some work, and Treasury in fact are developing scenarios and ideas. It is a new field for them, but there has to be some special method, and there will undoubtedly have to be legislation come through which will guarantee that we get the tax figures listed in this document.

But I can assure you that where there is a will, there is a way and Treasury will develop that scenario for us so that we do get a maximum amount allowable under this agreement.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, then that would be fine if this was the case and we are going prepare ourselves, and I hope that this is understood. However, I would carry on to the \$30 million that is supposedly, and this is something that I feel very strongly about, we don't seem to, the government, maybe ourselves, I don't know who is to blame, but we don't seem to get to the people, the crunch of it right off the bat. We say you have got \$30 million, first it was to do the Alaska Highway or something, we finally got the answer to that one, that it is, I think the Minister of Local Government gave me the answer one morning, it was for the Yukon Territory and that is fine.

Now, in the agreement if you will go, I think it is, to the second last page, you will find that there is really more to what this \$30 million is for than just the road. You will see on that page there are all sorts of things such as borrow pits that may be filled in, there is sewage and water, which I don't know, these are some of the things that I would really like the answers to. Are we going to take the \$30 million worth and pay for sewage and water and things like that and borrow pits, camp clean-ups, there are numerous things in there which you will see.

I am just wondering how this \$30 million works, too. Just

where are we going to spend it all? You know, it certainly won't be on the road if it is for these other things. It says, in the agreement, that it is for those things.

I take them to be clean-ups, after they leave and possibly some of them, even, maybe some of the work that is to be done to take care of their situation while they are here, which I think I would be very strongly opposing, if that is the case.

Mr. Commissioner: Mr. Chairman, I am not sure. Can you tell me which, show me exactly where this is? Annex Four?

I am sorry, I do not have Annex Four in my copy. I have got Three and Five.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: Yes, Mr. Chairman, it is the second last page. It is not in the actual agreement, Mr. Chairman. I am sorry, I probably made a mistake there.

It is not in the actual agreement. The agreement is signed before that. It is just in the way that things will be done and I do now know whether that is, but this is what the money is for. Costs relating to roads is what they more or less say.

Then, direct charges by public authorities and it is crossing damages, roads, railroad crossings, et cetera, I can understand that. Road damages caused by—, I can see that, I can understand that. Required bridge reinforcement, I understand that. Air field and airstrip repairs. I am not so sure I understand that if it is for the road.

Drainage maintenance, I can even understand that, possibly, for the road, if there was a problem or we needed it done before the problem came about.

Borrow pit reclamation, now that is one I am just a little bit concerned about, because that is something that they are going to mess it up and I say, let them pay for it.

Power line damage, yes, but they should also, you know, I don't think we should pay for something like that.

Legal liability for fire damage, which I was really concerned about, because if they are going to set fire to part of the Yukon, and it could be quite a performance before we are finishing and a pile of money, \$30 million wouldn't go too far.

Once that is over, if you will read the agreement, that is the end of our \$30 million. It says that, that it will be up to that and when that is spent, you won't get any more.

Utilities system repair, water, sewage, et cetera, which is a good word, you know. I am almost thinking we are back in our legislation.

Camp waste disposal, which means that possibly I guess we are going to build dumps and so forth, for these people in these camps, and everything.

I take it that this is where the money is going to be spent, it will have to be, if the Federal Government says yes. I could be wrong. I hope I am.

Camp site reclamation and other items specified in environmental stipulations, and cost of surveillance and related studies, if required by the registered bodies.

Now this, I take it, is in the \$30 million dollars?

Mr. Commissioner: No.

Mr. Fleming: That is what is says in the agreement, if you read it carefully.

Mr. Commissioner: Mr. Chairman, at the bottom of that there is a little asterisk, and the asterisks are opposite numbers 1, 2, and 3. It states that in case of these items and all other road-related charges by public authorities, the total charges in the Yukon Territory shall not exceed \$30 million. So the \$30 million only applies to numbers 1, 2, and 3.

What this says is that numbers 4 to 14 will not be considered

socio-economic costs that will be borne by the Government, but will be direct charges to the Applicant and the pipeline company itself, will have to include the costs for all of those items, numbers 4 to 14 in their direct charge against the pipeline.

I understand, not being totally expert in this, that this means that that will be built into the rate base so that in effect they will be paid for by the consumers of gas in the United States eventually. In other words, these are costs that Canada will experience for no other reason than the fact that there is a pipeline being built to take Alaskan gas to U.S. consumers, and Canada has said, United States, that means you and you alone must pay for that in terms of the cost of that pipeline, not the taxpayers of Canada, nor the taxpayers of Yukon.

I might add also, that the single regulatory agency I believe is considered in the same vein. The absolute cost to the government of the bodies and the people that will be involved in the single regulatory agency, will not be paid for by the Government of Canada or the Government of Yukon, but they will be charged to the pipeline applicant, and become a cost of service.

That is my understanding of it, Mr. Chairman.

Mr. Chairman: Ms Millard?

Ms Millard: Mr. Chairman, my questioning is also along the lines of the Yukon property tax formula. My first question is, who will be imposing that property tax? Will it be the Territorial Government, since that is the one kind of tax that the Yukon Government can levy, or will it be a federal tax, which is administered and levied by the Federal Government?

Mr. Commissioner: Certainly the Yukon Territorial Government will levy the tax.

Mr. Chairman: Ms Millard?

Ms Millard: Further on to that, something I would like to emphasize, because I think a lot of people have overlooked it, myself included, when I first read this agreement. It says in both MacEachen's statement and in the agreement that the Yukon property tax formula will apply from January 1st after the year in which leave to open the pipeline is granted by the appropriate regulatory authority, until the date that is earlier of the following, hereinafter called the tax termination date: (a) December 31st, 2008, or (b) December 31st of the year in which leave to open the Dempster line is granted by the appropriate regulatory authority.

I would like to know why the taxation on the Alcan route will stop once there is an agreement to open a Dempster route.

Mr. Commissioner: The taxes won't stop. I am sorry, Mr. Chairman, I did not address you properly.

The taxes will not stop from the Alaska Highway route, but, in discussions leading up to this agreement, it was obvious that the Dempster line, which is a line, of course, that would be strictly for Canadian benefit, for the benefit of all Canadians, that, if the tax levy of the amount or the magnitude that is applied to the Alcan line, if a tax levy of that size, were applied against the Dempster, the Dempster wouldn't be economical.

So, what they said was that we can tax the Alaska Highway route, at this level, until the Dempster is built, or December 31st, 2008, whichever is earlier, and, at that time, we will have to sit down and re-negotiate the rate of taxation.

Now, I know that that leaves all sorts of suppositions open, but I can only try to reassure everybody here that, although the taxation rate may be less, the tax base, of course, would be much greater so that the total dollars coming from Yukon, I have no doubt at all, would be greater.

Mr. Chairman: Ms Millard.

Ms Millard: Mr. Chairman, if the Territorial Government is going to be imposing the property tax, can we anticipate that this Assembly will be passing the legislation for that, or will new legislation be needed, or will it be after the next election?

Mr. Commissioner: Mr. Chairman, I cannot tell you whether this particular Legislature will be passing the Ordinance to assess taxes. Let me think now, I would guess not, though, since the tax base does not start until the year 1980. I would hardly think that we would rush in and bring forward a tax ordinance now that won't begin until 1980, but, I am neither here nor there on that.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: I would ask one more question on the capacity and availability of gas.

The \$2.5 million, I believe, this is a consideration that is in the agreement for all of the situations where gas would be taken into the Yukon, is it not. This is our maximum that we would get.

Mr. Commissioner: Mr. Chairman, the \$2.5 million goes towards making arrangements to provide gas to Beaver Creek, Burwash, Destruction Bay, Haines Junction, Whitehorse, Teslin, Upper Liard, and Watson Lake. That's right. For those communities the arrangements of feeder lines, et cetera cannot exceed \$2.5 million. However, Clause 2 states that there are additional funds available to help make arrangements to provide gas to communities farther away from the pipeline itself.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, one question, isn't it a right of the Yukon Territory to raise its own taxes and levy taxes?

Mr. Commissioner: Absolutely, with regard to property taxes, no doubt.

Mr. Berger: Then, Mr. Chairman, with all due respect, why did the Government of Canada, right in their agreement with the United States of America tell us here in the Yukon that the limit of taxation we can raise here, if the people turn back to the last page of the agreement, we find that there is an agreement in principle for three different provinces, but why is there not an agreement in principle with the Yukon in there?

Mr. Commissioner: Mr. Chairman, I am sure that if we want an agreement in principle that will allow us to tax this particular pipeline at about fifteen times our normal tax rate, they will be willing to sign it, but really that is the point. This rate of tax is so enormous compared to what we would have been taxing under our normal tax rates, it is almost unbelievable.

I believe that a consultant for the pipeline company itself at the Lysyk Inquiry stated that we might raise \$4 million per year, when the pipeline was in total production, using our current taxation rates.

The Government of Canada negotiated for us a rate of maximum of a \$30 million, and escalating every year with the GNP. I am afraid that the constitutional issue may be one that may be of concern to the Honourable Member, but certainly if we wanted a formal agreement, I am sure that Ottawa will enter into some agreement with us.

Mr. Chairman: Mr. Berger?

Mr. Berger: Well, Mr. Chairman, with all due respect to Mr. Commissioner, maybe this Legislative Assembly may find it in their wisdom to raise \$40 million in taxation if we thought it would be necessary. I can see no reason why this government would not have been able to raise \$30 million also, if they found it necessary.

Mr. Commissioner: Well, Mr. Chairman, there is a reason, and it is called a discretionary tax agreement between Canada and the United States, and that was entered into between Canada and the United States and is binding on all of the provinces and all of the territories which prevents any province from gouging a pipeline crossing its territory that supplies gas or oil in an international basis and the agreements with the provinces of Alberta and British Columbia and Saskatchewan take into account that discretionary tax rate. You cannot tax a pipeline on that basis. You cannot do it so—. This is an international agreement and of course this is an international pipeline and even in Alberta, Saskatchewan and British Columbia, the National Energy Board has the power and the authority to regulate the pipeline in those jurisdictions.

Mr. Chairman: Mr. Berger.

Mr. Berger: Mr. Chairman, I realize that, as I stated, as it states there, three statements by the Governments of the Provinces of Alberta, Saskatchewan and British Columbia. There is nothing in there about the Yukon, but then you go to Section 5, Taxation Provincial Undertaking it is under (b) with respect to the Yukon property tax imposed.

It is, here is the Federal Government found it in their wisdom to negotiate in the name of the Yukon Territory, and this is what I am criticizing.

Ms Millard: Mr. Chairman, I would like to ask several little questions, all unrelated.

One is the gas that is to be supplied to Yukon communities, I think that I read in the agreement somewhere that there is a limit to how long it is going to, the cost applied in the Yukon will be the same as at the border, at Alberta, but, it seems to me, there was a limit on the time that that would be available at Alberta prices? Is that correct.

Mr. Commissioner: Mr. Chairman, I must confess that I am not current right up on that and, the time limit, but I will certainly check it out. If there is anything in the agreement that limits that time.

Mr. Chairman: Ms Millard.

Ms Millard: Mr. Chairman, another small question, which has far-reaching importance, just like the last one, and questions which should be answered far more clearly before we can even consider pipeline as being a good thing in the Yukon, as far as I can see.

There is a list in the back of the agreement, listing the zones for the pipeline, and one of them is zone ten. It says, "Foothills Pipelines North (Yukon) Limited", which means the route from the MacKenzie Delta, down the Dempster.

Has there been an agreement made with Foothills, has Foothills actually made an application to build a pipeline down the Dempster and that agreement has been made already? Is that why they are calling it Foothills Pipelines North (Yukon)?

Mr. Commissioner: Mr. Chairman, no, I am sure there is no agreement to build a pipeline. In fact, I think the requirement is that Foothills must study and present an application to the National Energy Board, by July 1, 1979. I am not sure of that, but I think that was the date that I recall.

The only reason they have a Foothills North (Yukon), is for corporate structures only. As you know, perhaps you have heard about, as a result of the National Energy Board Report, the Foothills Company itself, which was originally called just Foothills (Yukon), had to go out and totally restructure its corporate bodies.

There are now, I think, five or six Foothills companies, and so each segment is broken up into a Foothills (South Yukon), Foothills (British Columbia North), Foothills (Alberta),

Foothills (Saskatchewan), Foothills (BC South), and they have a corporate structure obviously called Foothills (North Yukon) that would undertake the studies leading up to an application, and if a pipeline were granted, an application were granted, and built, it would be owned by Foothills (North Yukon).

Mr. Chairman: Ms Millard?

Ms Millard: On the regulatory authority, it says the respective regulatory authorities of the two governments, meaning, I presume, American and Canadian, will consult from time to time on relevant matters arising under this agreement, particularly on the matters referred to in paragraphs 4, 5, and 6 re leading to tariffs for the transportation of gas through the pipeline. How much does that consultation mean when it is relating to tariffs? How much agreement is going to be made on the regulatory authority level about tariffs?

Mr. Commissioner: Mr. Chairman, I think we are getting into a technicality about pipelines and costing of tariffs, that is well above my comprehension, but, I understand that on any international project, there are two things to consider, or three: (1) is the return to the producer, the other is the cost to the consumer and the third, and the one the pipeline applicant is most interested in, is the guaranteed rate of return on his investment. How they sort these things out, I am sorry, I couldn't explain it to the Honourable Member, and in fact I couldn't even find it out. We would have to bring somebody up who knows all about that aspect to explain it.

Ms Millard: Mr. Chairman, if I could just point out, it says relating to tariffs for the transportation of gas through the pipeline.

Mr. Commissioner: Yes.

Ms Millard: Doesn't that mean taxation?

Mr. Commissioner: No, Mr. Chairman, that means the charge that the pipeline company can make to both the consumer or the producer, I guess it is. The producer develops a gas project. He doesn't own the pipeline, but he continues to own the gas in the pipeline. The pipeline company places a tariff, which means he says to the producer it is going to cost you so many dollars per thousand cubic feet to pass your gas through my pipeline. If there isn't some way of controlling this, the guy at the other end when that gas comes out may be paying totally unreasonable prices for that gas, and therein is where this negotiation has to go on. That's my understanding of it anyway.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Yes, Mr. Chairman, Mr. Commissioner, it states in the agreement that the agreement becomes effective upon signature and shall remain in force for a period of thirty-five years. It also states that the two governments recognize that legislation will be required to implement the provisions of the agreement. I understand the United States has already passed legislation ratifying the agreement. Does the Commissioner have any idea of when Canada plans on introducing legislation that will bring into effect the terms of the agreement that was signed?

Mr. Commissioner: Mr. Chairman, I was told that the legislation will be introduced before the House in Ottawa recesses for Christmas. That should be within the next two and a half weeks, I understand.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, another question regarding the press release that came from the Honourable Allan MacEachen, I don't know whether we should be as concerned with that as we are with the agreement, but it does state, if the Government approves the application, construction could

begin in the winter of 1982. This is of the Dempster Lateral.

This ties into the question that I have, and, again, this is from the agreement, but is specifically from the press release, on page three. "An advance payment of up to \$200 million, by Foothills, to provide compensation for social and economic costs over the period 1978 to 1982".

It does limit the period, where the line of credit is available. I understand that, because, in 1983, I believe, we will be on a full scale property taxation, as recommended.

However, there is some concern that if they do begin the Dempster lateral, in the winter of 1982, we will completely be on our own on the impact of the pipeline and we will be completely as we were in the past, but we will have already then committed some of our property tax revenue and we will continue to have to use that property tax revenue to accommodate the impact of both pipelines.

It seems rather a heavy load, when we don't have any idea of what the impact could be, of both, one following after the other.

Mr. Commissioner: Mr. Chairman, I think that is a very good point. I don't think it has been addressed properly by anybody, but, certainly, it is one that I will raise.

I don't think that there is anybody that could conceive both of these pipeline projects, of that magnitude, being built at the same time, so I would expect it to be one and then the other at some reasonable time after that. But, I agree with the Honourable Member, it probably hasn't been addressed properly and it should be.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, I particularly welcome the debate, in Committee, on the agreement concerning the pipeline, because I realize the validity of the questions that all Honourable Members have raised.

I also know that there are one heck of a lot more questions than there are, presently, answers at this time.

I also think that it is important that this debate and those questions be raised on the eve of what, I hope, will be the addition of a fourth elected member to the Executive Committee, one of whose prime responsibilities will be the reporting, to this Assembly and to the public of the Yukon, and the responsibility for this Government's involvement in all pipeline matters.

I think Mr. Chairman, we all realize the work that has gone into the government's position to this point in time. In fact I think that everybody recognizes the work that all Honourable Members have contributed to the pipeline question at this point in time. I just look at the complete and total difference of the attitude of the elected members of this Assembly, and the Government of Yukon towards the public inquiry that went on regarding the pipeline than our sister territory across the mountains. They did not contribute, they did not get involved, and in fact they were told by the inquiry process not to get involved in it.

From the very beginning, the members of this Assembly, individually, and the government collectively, realized the paramount importance of this issue to all of the people of the Yukon and said and did get involved to a very great degree, and I think committed themselves very well on behalf of the people of the Yukon. In fact I think the Lysyk Report reflected many of the individual members' and the government's involvement on this important issue. I think when the Commissioner was invited to Ottawa following the Lysyk Report, and was available to be consulted on the pipeline agreement, that we perhaps had a pretty heady atmosphere that everything was going in a fairly consistent manner and the Yukon was going to be involved, and we were going to be considered in

every aspect of the pipeline agreement, and the pipeline decisions that were and are being made at this present time.

I must say I had a bit of a different reaction when the Commissioner asked me to represent this government at the signing of the formal agreement between Canada and the United States, and you have felt like Yukoners as being in the back of the bus before. I have been put in that position, and I was once again, and felt a little queasy on behalf of the people of the Yukon.

To make a long story short, I think there were thirty tables, and I was on table number 29, with the flunkies from the American government. You couldn't see Schlezinger and MacEachen and the Prime Minister from where I was sitting. I had to watch it on TV to see what had happened, really, after the event, and there was one satisfaction, that the Prime Minister's right hand man, Michael Pitfield, had evidently been placed beside me at the table, and one of those people dressed to the nines in the morning suit, or who was a maitre de at the dinner, came up to the table and looked, just as we were sitting down, and said, oh, Mr. Pitfield, you are not supposed to be sitting with this bunch, and of course, took him away to the centre of the table.

Be that as it may, they were very nice people. I had a very nice lunch with them, but I did get to feeling just a little bit uneasy about where the Yukon was going to fit into all of this at the press conference, and what was going on later. I think we had been dealt with, and Lysyk dealt with the government and with the individual members, and the government had dealt in a very responsible manner up to that point, and we were getting through and we were being involved.

Following, of course, that agreement, once again, the feeling was reinforced that we were going to be able to have a say in what was happening, in meeting with Mr. Faulkner, who was very direct when we brought him the first question, you know, all right it is nice to set out an impact fund that we can call upon if there are socio-economic things which can't be met through our normal funding, we have to call upon it, will you guarantee that only the charges that the YTG makes upon those funds are the ones that will have to be paid back.

And it was an affirmative answer, in that regard. It was also an affirmative answer that we would be consulted and involved.

Well, Mr. Chairman, there are too many things that we have, as a Government, as an Executive Committee, been in consultation with the Federal Government on matters of single, regulatory agencies, impact centres, housing and land strategies, heritage funds, controlling of in-migration, taxation benefits from the taxing authority, that there are just, from our attempt at leading the discussions and attempting to get some answers, more questions are coming back from answers and, of course, the frustration of the members of this Assembly and the public, are obvious all around. There is no doubt of that.

I think that it is extremely important that we have the capabilities of pulling together and have one person involved in all aspects of the pipeline, who is responsible to the members of this Assembly and responsible to the members of the public, to be able to answer these questions: where are we at the present time, what are we trying to do, what are the answers, if there aren't any answers, why aren't the answers forthcoming?

I think that it is absolutely essential that that happen at this time, for this Government and for the representatives of the people to have creditability in this pipeline issue, that a person duly elected by his colleagues to answer these questions in the political arena, is an absolute must, at this time.

Mr. Chairman, as I say, that is why I welcome these questions coming up, at this point in time, because I think it em-

phasizes the importance of this aspect of a fourth elected member on the Executive Committee, and I can only say that he is certainly, he or she is certainly going to have their work cut out for them.

Mr. Chairman, I know that there is a time in the Yukon for leadership and responsibility, on this paramount pipeline issue and I know that that is felt and shared by all Members of the Assembly. I feel that the appointment of the fourth elected member, with one of his prime responsibilities for getting the answers, or at least saying why he can't get the answers to these absolutely important questions, will be the thrust that we have all been looking for, in all of our ability to meet these challenges, on behalf of the Assembly, and on behalf of the people of the Yukon.

Thank you, Mr. Chairman.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: I have another question for the Commissioner and this is in the property taxes that are being suggested by the agreement, or were agreed to within the agreement, they are not suggested, they are finalized, does the sum, the maximum of \$30 million, this will include the property taxes that would be levied by municipalities, should the pipeline traverse the area within a municipality.

Mr. Commissioner: Mr. Chairman, my understanding is that it would. There will have to be, of course, appropriate arrangements worked out between the Territorial and the Municipal Government on that basis.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, then, I wonder if Mr. Commissioner could, in layman's language, interpret Section 4, for me, subsection 4 of Section 5, Taxation and Provincial Undertakings, where we go into the situation, in 1987. There is reference there to grants to municipalities and local improvement districts, in order to calculate the aggregate per capita revenue derived from such sources, for 1983.

If municipalities do not give up the right to tax the pipeline, then why would we be using the grants to municipalities and L.I.D.'s as part of our calculations for the aggregate, or for the average?

Mr. Commissioner: Well, Mr. Chairman, this clause 4, is another attempt to ensure the Yukon that the pipeline will carry its load, its own way.

There was considerable concern, of course, that in the negotiations, that indeed all of a sudden the Yukon would double or triple our taxes, that once we got the pipeline we would double or triple the taxes and that would make the whole thing uneconomic, an from an international standpoint that was deemed not to be fair.

At the same time, there was a concern raised that said but look, what happens if inflation hits, and you are saying that we can escalate our taxes \$30 million, adjusted annually from 1983 by the Canadian GNP price deflator, as determined by Statistics Canada. Well we all know that maybe that 6 per cent nationally could— maybe in the Yukon, as a result of the pipeline, or something else, the inflation rate is 9½ per cent. We wondered how that could be reflected adequately. What is a good measure of the inflation rate in the Yukon, if we are talking about property taxes, it shouldn't be a measure of the cost of tomatoes, or that sort of thing, it should be somehow related to the taxation rate.

Now in the Yukon, as you know, municipalities and so on, the inflation, the cost of providing government and services isn't only related to the tax rate, your taxation rate.

The municipality can tax a resident or a business, but there is also that grant to municipalities which could be adjusted. So if you just took the tax rate, levied by a municipality, it

wouldn't quite be accurate. You could maintain your tax base at the same level, if the grants to municipalities were grossly increased, and it would appear as if there was no escalation in property taxes, where in reality, it is being offset by an increased grant.

So that is really what that segment in there is for, and I can't explain yet how it works. I have treasury people working with the municipality and various people in the areas trying to get a handle on it, but it is a complicated thing. It is really an effort to be fair.

If you and I, and other Yukon people, find that our taxes go up at 14 per cent, but the GNP price deflator only goes up at 6 per cent, this is to guarantee that the pipeline's taxes will go up 14 like yours and mine, not at 6, like the GNP deflator.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, and also on 9, and there is the suggestion in 9, of that same section, there is a suggestion, it says, "...however, should public authorities in the State of Alaska require creation of a special fund or funds financed by contributions not fully reimbursable, in connection with construction of the pipeline in Alaska, the Government of Canada or the Yukon Territory, will have the right to take similar action".

The first part of the section states that "indirect socio-economic costs in the Yukon will not be reflected in the cost of the service to the United States, other than through the Yukon property tax".

But, then they are saying that if the State of Alaska can establish a necessity for a special fund, then the Government of Canada can also.

In what areas would they be looking at establishing these special funds?

Mr. Commissioner: Mr. Chairman, I do not know, but it was tossed in there, this particular clause, to protect the Yukon again.

The argument was used that this is a dangerous precedent to start, this idea that the National Energy Board of the Lysyk Inquiry came up with, that there should be just a lump sum of \$200 million dollars given to a jurisdiction, as a grant. That \$200 million then would be a cost of service to the pipeline and reflected in what the people at the other end would have to pay for their gas.

So, that idea was not acceptable, but, number 9 was thrown in that says, okay, the Yukon cannot do it. We agree. B.C. won't do it, Alberta won't do it, Saskatchewan won't do it, but if Alaska does it, if they all of a sudden come to that pipeline, and they say, now, look, fine, we will let the pipeline go through, but it is going to cost us a lot of money and we are going to thump you with a \$50 million grant to the State, for the right to build that pipeline.

If they do that, then we can do that. That is all that says.

Similarly, Mr. Chairman, if I might digress, there is one interesting one, number 8, and I would draw member's attention to number 8, which really ties our taxation rate to the Alaskan taxation rate.

If the Alaskan taxation rate of a pipeline should escalate over the next few years, we can likewise escalate our taxation rate. Again, it was thrown in there just to make it fair that what is good for Alaska, should surely be good for their neighbouring Territory and neighbouring jurisdiction, Yukon.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, in the agreement, there was no, and I suppose this will be in the legislation that is tabled before the House by the Government, there was no indication of who would be responsible for the funding or for paying for the services of the regulatory agency.

That has not been resolved at this time, has it, Mr. Commissioner?

Mr. Commissioner: Mr. Chairman, the Honourable Member is right. It is not included in this agreement that I can find, and I was surprised, I must say, to find that it wasn't there, because the agreement, or this particular issue, was discussed, and it was agreed that it would be a charge against the pipeline applicant.

What I wanted to make sure in my discussions in Ottawa was that it would not be charged against the \$200 million that we would have to repay. Of course, we obviously have that assurance now from the Federal Government, although we still do not have that in writing, as we discussed earlier.

I still assume we are going on the basis that it will occur as a charge against the pipeline company. The precedent for that will be the Alaskan situation, where the regulatory agency there was recognized as a direct charge against the Alyeska Pipeline.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, just one further—it's not really a question, just an observation and I am glad that the Commissioner referred to the Alaskan situation where regulatory agencies were a direct charge against the pipeline company, and I read the article or the report that was prepared by the Alaska Pipeline Co-ordinator, and in his report he suggested the one man strong regulatory agency, and gave some very interesting - one final person who could say yes or no. That appealed to me, and he gave some very good arguments.

He also suggested in that article that the regulatory agency be funded by government, and that it be voted in government, and he felt that it was controlled, and that the company and the people of the jurisdiction who would be using the gas from the pipeline would certainly benefit, if the government had to stand up in the House and vote money for that regulatory agency. It is a very interesting concept, and I would hope that maybe we would pursue it a little further, or someone who has the right to make decisions would pursue it a little further.

Thank you, Mr. Chairman.

Mr. Chairman: Do we have any further comments on Item number 11?

Mr. Fleming?

Mr. Fleming: Mr. Chairman, just as mover of the motion I am very happy that we did have the discussion, because I think that this is really the thing that Mr. McKinnon was speaking on, the Minister of Local Government, too that now when you get the answers all here, rather than trying to ask questions in a question period when you will get one back. I think that a little discussion like that brings out and clears the air for the whole picture, and there was quite a—not a discrepancy in those two papers, but the fact that one said one thing and one the other, wasn't very clear to many people, and as I say, I am very happy at this time to get the answers we have gotten.

Mr. Chairman: Mr. Commissioner?

Mr. Commissioner: Mr. Chairman, I don't believe it was mentioned in the items in regard to the regulatory agency that we included in the Speech from the Throne but we strongly recommended to the Government of Canada, a system very similar to the one mentioned by the Honourable Member from Kluane, one that would guarantee that there would be that there would be accountability.

We feel this is extremely important that this thing does not have an unlimited budget and increased to the size that we all know government departments and agencies can do it left

uncontrolled so we are concerned about that.

Mr. Chairman: Thank you, Mr. Commissioner.

Mr. McCall?

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

Motion agreed to

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of Committees?

Mr. Hibberd: Mr. Speaker, the Committee of the Whole have considered Bill Number 9 and Bill Number 4 and directed me to report progress on same.

The Committee has also considered a motion concerning a Canada/U.S.A. Agreement on a northern pipeline and directed me to report progress on same and beg 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. May I have your further pleasure?

The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Mr. Speaker, I move that we do now call it 5 o'clock.

Ms Millard: I second that motion.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Ogilvie that we do now call it 5 o'clock.

Motion agreed to

Mr. Speaker: This House now stands adjourned until 10 a.m. Monday next.

Adjourned

**The following Legislative Returns were Tabled
(November 24, 1977)**

77-2-21

Federal Government Request for Housing
(Written Question No. 18)

77-2-22

N.C.P.C. 34.5 Kv Line
(Written Question No. 17)

77-2-23

Science Council of Canada Report
(Oral Question - Page 216 - November 21, 1977)

LEGISLATIVE RETURN #
1977 (Second) Session

Mr. Speaker,
Members of the Assembly

On November 21, 1977, the Honourable Member from Whitehorse Riverdale asked the following question:

"The federal government has indicated that it may require 50 multi-family units and 50 single family units of government housing within the next year or two.

- a) What effect will this have on the present use of approximately 25 government units by YTG?
- b) Does this request or indication by the federal government mean a "build-up" of federal department manpower in connection with pipeline activity? If so, what specific departments are to be affected?"

The answer to the above question is as follows:

No definitive assessment of the requirement for additional family or single units has been made by the federal Department of Public Works, simply because the various government departments do not possess the information on which to base reliable forecasts of housing needs. Nevertheless, DPW have been giving the matter urgent and continual consideration, as have the departmental managers represented on the Federal Interdepartmental Co-ordinating Committee (FICC). The preliminary figures compiled to date refer only to estimates of maximum requirements made by departments and are term requirements pertaining to pipeline or other special projects. Hence, any forecast of an immediate increase in housing requirements does not represent normal or permanent growth. As a general statement, I am assured that the Department of Public Works do not contemplate entering into the construction of additional government housing to meet a temporary need but would look instead to the private market insofar as possible.

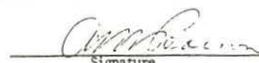
- a) A Housing Strategy is being prepared by the Yukon Housing Corporation for presentation to the Legislative Assembly. The Territorial Government's occupancy of Pool Housing will continue to be based on the overall requirement.

It has been ascertained that the YTG housing requirements do not come under Treasury Board-approved entitlements, as the federal departments and crown agencies do. At present, it is not anticipated that YTG will be requested to relinquish any housing.

- b) The various federal departments are attempting as accurately as possible to ascertain their future accommodation requirements in response to pipeline or pipeline related activities, and quite obviously, there will be some level of increase in federal government activity in Yukon. Until details of the government's intentions with respect to the regulatory agency and related activities are made known it is not possible to be specific as to numbers. By way of examples, it is anticipated that some increase in personnel in the Department of Canada Employment and Immigration in relation to a manpower delivery system may be necessary. Similarly, several departments with responsibilities related to environmental matters may be faced with the need for some expansion, and some expansion in terms of law enforcement have been identified by the RCMP.

All departments, as well as this administration, are acutely aware of the need to identify the increases which are normal growth factors, and those which are temporary in nature.

November 22 1977


Signature

LEGISLATIVE RETURN # 22
(1977 Second Session)

Mr. Speaker,
Members of The Assembly

On November 21st, 1977, Mr. W. Lengerke asked the following questions:

What is the status of the "Whitehorse Fringe Area" Franchise Agreement between Y.T.G. and Yukon Electrical with respect to the energizing or use of the 34.5 K.V. line that runs between the Carcross Cut-off and the N.C.P.C. Marsh Lake Control Dam?

- (a) When will the agreement be finalized?
- (b) When will the line be in use?
- (c) Will N.C.P.C. or Yukon Electrical be authorized to distribute power beyond the N.C.P.C. control to the Marsh Lake Sub-division?

The answers to the questions above are as follows:

The Whitehorse "vicinity" franchise expired in 1974 and will be re-negotiated shortly. The original franchise had a twelve mile radius from a point on 4th Avenue, whereas their new agreement requests approval for a 24 mile radius service area. The existing agreement has no provisions to require third party use of transmission lines.

Northern Canada Power Commission and the Yukon Electrical Company Limited have recently negotiated a private agreement to permit interconnection of the transmission lines and the necessary interconnection isolating breakers are on order. The equipment is expected to be delivered and installed for an early spring start up of the main.

The Yukon Electrical Company applied to extend their services in 1975 for two areas in the vicinity of Whitehorse.

- (a) Mayo Road -- Lake Laberge area
- (b) Marsh Lake.

Permission in writing was given the Yukon Electrical Company for the Lake Laberge area, subject to the inclusion of the area granted in any renewal of the franchise agreement for the Whitehorse "vicinity".

In view of the announced intention at that time by the Northern Canada Power Commission to build a power grid main to service the community of Teslin and any intervening users following the Alaska Highway from Whitehorse, it was decided that the Marsh Lake area would be serviced by N.C.P.C., and Yukon Electrical Company and the Electrical Public Utilities Board were so informed.

If it is no longer the intention of N.C.P.C. to build such a grid in the foreseeable future, then the Whitehorse "vicinity" franchise will form part of the proposed new franchise negotiations with the Yukon Electrical Company.

Nov 23/77
Date


Signature

LEGISLATIVE RETURN # 27
(1977 Second Session)

Mr. Speaker,
Members of The Assembly

On November 21st, 1977, Ms. E. Millard asked the following question:

Has any action been taken by the Resource Planning Branch concerning the Science Council of Canada Report #26 -- Looking Northward, which mentions the encouragement of non-renewable resources such as timber and furs?

The answer to the question above is as follows:

The Resource Planning Branch has not taken any direct action regarding the encouragement of utilizing renewable resources such as timber and furs in accordance with Science Council of Canada Report No. 26.

The Territorial Government, with its concern for balanced northern development, created the Resource Planning Branch to review and bring forward recommendations on the utilization and management of Yukon's renewable resources to meet local needs. Immediate energies are being directed towards formulating a program which will identify renewable resource potentials. This would be followed by a public participation program to plan out long term development strategy, and the necessary action to better utilize renewable resources such as timber and furs.

Copies of the report have been sent for, and upon their arrival will be available for members and any other interested parties.

Date

Signature

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