

A. J. Taylor

YUKON TERRITORIAL COUNCIL

third session 1962

VOTES AND PROCEEDINGS

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VOTES AND PROCEEDINGS
of the
COUNCIL OF THE YUKON TERRITORY

Monday, July 23rd, 1962.
2:00 o'clock P.M.

The third session of the Council for the year 1962, being the fourth session of the Nineteenth Wholly Elective Council of the Yukon Territory, was convened in the Council Chambers at 2:00 o'clock P.M. on Monday, July 23rd, 1962, the members having previously been sworn and taken the Oath of Allegiance.

The members present were:

Mr. J.O. Livesey - Carmacks-Kluane - Speaker.
Mr. G.O. Shaw - Dawson
Mr. D. Taylor - Watson Lake
Mr. J. Watt - Whitehorse - West
Mr. K. McKinnon - Whitehorse - North
Mr. H.E. Boyd - Whitehorse - East

Absent: Mr. R.L. McKamey - Mayo.

The Speaker was ushered into the Council Chambers by the Sergeant-at-Arms.

Commissioner Cameron was ushered into the Council Chambers by the Sergeant-at-Arms and gave his address.

Commissioner Cameron: Mr. Speaker, Members of Council, we have been called together again to discuss further allowances of moneys for the continuation of the play for the Dawson City Festival. If I may be permitted to join you in your deliberations, I will assist you with any information I have and would ask that you call in any people whom you would like to help you in your program.

Mr. Speaker replied to the address of the Commissioner.

Mr. Speaker: I would thank the Commissioner for his opening address to Council this afternoon. As you will recall Gentlemen, during the last special session, this being an unusual action, we proceeded first with daily routine as far as introduction of bills which were before us. In order to facilitate matters and complete our business here in a reasonable time, may I suggest that you follow the same procedure as we did at the last special session.

Moved by Mr. Shaw, seconded by Mr. Boyd, that Council continue with Bill No. 1, to expedite it as soon as possible in the same manner as was done at the last session.

Motion Carried.

Moved by Mr. Shaw, seconded by Mr. Taylor, for leave to introduce Bill No. 1, "An Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory."

Introducing
Bill # 1.

Motion Carried.

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Mr. Speaker: Do you wish to dispense with the daily routine that we usually proceed with and proceed directly with this Bill and give it the necessary readings? Would you kindly intimate to the Chair what you wish to do in this connection.

Moved by Mr. Shaw, seconded by Mr. Boyd, that First reading be given to Bill No. 1, "An Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory." First Reading Bill # 1.

Motion Carried.

Moved by Mr. Taylor, seconded by Mr. Boyd, that Second reading be given to Bill No. 1. Second Reading Bill # 1.

Motion Carried.

Moved by Mr. Shaw, seconded by Mr. Watt, that Mr. Speaker do now leave the Chair and Council resolve into Committee of the Whole to discuss Bill No. 1.

Motion Carried.

Mr. Speaker: I will appoint Mr. McKinnon as Chairman of Committee..

In Committee of the Whole:

Mr. McKinnon: Gentlemen, I have two pieces of correspondence in front of me. One is a memorandum from Mr. MacKenzie, the Territorial Treasurer, (Set out as Sessional Paper No. 1) and the other is the only Bill in front of us for deliberation at this time. I will read through the Bill and then the memorandum if you so desire. Sessional Paper # 1.

Mr. McKinnon: Gentlemen, I have been informed by Commissioner Cameron that he would like some witnesses before Council to explain this memorandum from the Territorial Treasurer.

Mr. Livesey: I would suggest that any witnesses that are required by this Committee this afternoon, if they are present, I believe they should be asked to come to this table.

Mr. McKinnon: I has been suggested that Mr. Riezebos and Mr. Nielsen come before Committee at this time.

All members agreed.

Mr. McKinnon: I will just read the first part of the memorandum and then if it is this Committee's pleasure, I believe Mr. Nielsen would like to go into it in some detail and explain it to us exactly.

Mr. Livesey: In my opening remarks I would like to say that I have not changed my position since the first special session of Council and I condemn the whole procedure. I have never seen anything foisted on this Council like this has been. We have agreed to give \$150,000.00 toward this problem to help with the finances, \$150,000.00 which we did not have in the bank and which we had to stand guarantor for. There is nothing I can see about it that is right. As far as I know, this Council predicates its expenses by budget and in order that the

budget may properly be taken care of the Council studies it and there was nothing like this as far as I know. As far as I know the Commissioner is limited in his borrowing under the terms of the Yukon Act. As I said before, I am not criticising the restoration of any historical landmarks in Dawson. I am not opposed to the restoration of anything else in that area in order that history can be preserved. I am not against the Dawson Festival. What I am opposed to is the way in which this has been run and the way in which the people responsible have predicated the cost and the way they have palmed this off on the Council. This is what I am opposed to. As I said in the last session, I think it is disrespectful as far as Council is concerned. I do not think the people have given us a fair deal or fair play or anything else. The last session was called with about one day to get to Whitehorse. When I asked for information as to what this was all about, I was told the information was not available and I am supposed to be Chairman of the Financial Committee and this is what I get as an answer from the Administration. I came to Whitehorse not even knowing what we were going to talk about. I think it is a disgrace. These are my opinions and I do not hide them behind anything. Last time we got a lot of these ifs and ands and buts, but no names. Nobody was responsible. We are here again and I have not heard who is responsible. Someone spent this money and in my opinion they spent money they did not have. As far as Council is concerned, we had absolutely nothing to do with the financial arrangements of this festival, but now apparently, in common language, it is our baby. I do not know why we are being bothered with it. If we had had something to do with it at the previous session and had dedicated ourselves to support it financially, or had raised a bill on it, then I could see the situation. Even then, the Council could not do it on its own without agreement from Administration. We cannot do these things and everyone knows this. We spent \$150,000.00. We were told \$45,000.00 was going to come back from sale of tickets and now I see it is only half that. This is all very fine to say we want this and here is why we want it and then find we do not have enough seats in the theatre. How anyone can build a building without knowing how many seats there are, I cannot understand. What I do understand is that someone wants our okay on it. \$150,000.00 has gone down the drain. As I said before, the festival run properly by people who have not got their heads in the clouds and is not something that exists only in their imaginations, instead of the basic facts and figures, would be a good thing. They are looking at anything but facts. Gentlemen, I suggest you look over this very carefully before you consider adding this \$62,500.00 to the \$150,000.00. As far as I know, the financial agreement has not even been signed by the Government. We spent days on this and finally reached an agreement and so far this has not been signed. It is a mistake to add \$62,500.00 to the \$150,000.00 which I was absolutely opposed to as there was no one responsible.

Mr. McKinnon: I believe we asked witnesses before Council to have this explained to us and I think that would be a logical step.

Mr. Nielsen: I think perhaps some background might be useful for the consideration of Councillors. I first involved myself in the financial difficulties in which the festival finds itself last Wednesday week on July 11th. When I became aware of the difficulties the Commissioner and myself and Mr. Hughes travelled to Dawson City to meet with the producers to see if we could obtain a week extension of the notice required under the terms of the contract with the producers to enable that seven days to

be applied to fund raising purposes in the south. We met with Mr. Gilkey and he said as much as he would like to, the contract with Actors Equity would not allow it, so that the conclusion was reached that two days was not sufficient for me to travel to Vancouver, Calgary and Edmonton, etc., to make an endeavour to raise the necessary funds to carry the festival; so on the meeting held July 11th, they authorized me to raise \$62,500.00 in Ottawa from the Government or from public and private subscription for the purpose of meeting the show's commitments to August 17th. I think it might be useful to distinguish between the show and the festival requirements, because I think the \$62,500.00 was the amount required to carry the show through to August 17th. I left for Ottawa on Thursday the 12th. I have seen the Prime Minister twice and the Cabinet and the Treasury Board twice and asked that they advance the \$62,500.00 for the Festival. A guarantee for \$62,000.00 to the Territorial Council was made, which is the only Council to which the grant can be made for the festival. I think it might be useful to know that the Treasury Board at both meetings approved the guarantee unanimously, so that after a week of meetings, the situation has been arrived at where the Federal Government has guaranteed the sum of \$62,500.00 to the Territorial Government. This, in practical and legal terms places the Council in the position that the Territorial Government will not be out of pocket any funds with respect to the \$62,500.00 and this applies equally as well as the \$75,000.00 which was included in the \$150,000.00 passed by Council in their last special session. I think it could better be seen in terms of a guarantee rather than a loan. I involved myself in the financial affairs of the festival primarily because I thought I could help in raising funds either by Government source or private subscriptions. I raised by private subscriptions, over \$15,000.00. I am confident that other funds can be raised in this vein and had it not been for the necessity of coming before Council today, I would have been applying myself to raising funds in Calgary but since Mr. Gilkey requires it, five o'clock is the deadline, but I am sure that a phone call would set that off if Council was still deliberating. If I were raising funds while Council was in deliberation, it would be raising funds under false pretenses, not knowing if the \$62,500.00 was going to come. I do not come to urge you to pass these moneys, I was requested to see what I could do to raise money to keep the show viable. I have managed to obtain \$62,500.00 by way of guarantee and over \$15,000.00 from private subscriptions. I come to you now simply to say I have done this. I do not urge you to pass it on. I am here simply to tell you what I have done in a small way to assist in the carrying of the show to term and assist in the festival. I have my own personal views as to the factors you will be considering and should I be asked for these, I have no hesitation in giving them to you. I agree most heartily with Mr. Livesey when he says that the Festival has been mismanaged, but at the same time, there are several other factors which come to bear on the desirability or no of making an endeavour to retain the festival as a long run investment in the economy of the Yukon. I think broadly these factors can be categorized into two basic classifications, first economic and second moral factors. I think in terms of economic factors Council should be clear on the point that in so far as the Federal guarantees of \$75,000.00 and \$62,500.00 which Treasury Board has now approved, the Territorial Government is backed to the hilt for these sums and there will not be a dollar out of the tax payer or the Territorial Government with respect to these guarantees if the show winds up to the extent that the moneys cannot be repaid this year. I think there is a possibility of these deficits being picked up in future years if the festival is kept viable. I think there has been some misunderstanding of these guarantees and if the Councillors are not prepared to take my assessment of these guarantees, then the Chairman or the Clerk of the Council might be disposed to call Mr. Steele, who is the Secretary of the Treasury

Board in Ottawa and he will be very pleased to explain just what I am explaining now, but it was not felt necessary that these written explanations should be set down for Council as they are so well known as to be taken as a matter of course in Ottawa. There is some misunderstanding as to the effect that the Treasury Board Guarantee might have in so far as future governments are concerned, because there has been some publicity given to the fact that should parliament so decide, there is no necessity that these guarantees be passed at all. That is not so. When Treasury Board has given a commitment it is passed by Parliament. Parliament has never in history refused to back up a Treasury Board guarantee, so these guarantees have the full weight of assurance of the Federal Government whichever Government is in. A further economical factor is that the sum now being guaranteed by the Federal Government in respect of permitting ultimately the expansion of the tourist industry in the Yukon, reflects the cost of perhaps two to two and a half miles of development road in the Yukon. In terms of the total cost of Foxy, which the auditor has made as \$258,975.00, it is as much roughly as twelve and a half miles of development road. It might be useful to make comparisons. In summary it might be said the festival is an investment in the future growth of the tourist industry in the whole of the Pacific Northwest. It should be considered that the festival itself in its first year has been built around Foxy and so the festival will be more likely to produce negative results if the show fails. It would not be possible to state the affect the festival has had on tourism in Alberta, B.C. and the Yukon for some time, but it is safe to say that the number of tourists has increased as a result of the festival. It might be wise to consider in your deliberations, the long range affect the close of the show will have on future tourist plans and public relations. I believe that the festival, if the show closes is going to be saddled with a future indebtedness. I do not know if an actual assessment has been made. There are three long term contracts with the actors which would have to be paid for if the show failed and there are likely to be other expenses. Treasury Board, in guaranteeing the \$62,500.00, has made that guarantee on the fact that this is the sum required to keep the show until August 17th. The authority which came by wire to the Commissioner has set forth that the \$62,500.00 guarantee which is now under consideration by this Council is allocated for the continuation of the festival play, so that when considering it, if you are considering passing it on to the Foundation, it should be understood that the money will be limited for the purposes of keeping the show viable and not for festival purposes generally. The \$15,000.00 plus that I have raised from private sources has been allocated for general purposes. I asked the President of the Dawson City Festival Foundation to send to me a wire, so that I could pass it to the Council. "With respect to the meeting we had on July 11th, this will confirm the resolution passed at Directors meeting July 11th giving festival foundation approval to your raising funds on their behalf wherever they can be obtained." This is signed by Miss Gartside. I think if Council will give me a few more minutes, I would like to explain the moral factors which are involved with regard to the continuation. The Federal Government is a large investor in the Festival and other areas as well. The restoration cost of the Palace Grand Theatre is in the neighborhood of some \$400,000.00 and this together with the restoration cost of the "Keno" brings the Federal Government's investment to national historic sites in this area very close to half a million dollars. The Federal Government has also invested \$125,000.00 total cost, the guarantee is precisely that, in the show and may as well be considered as cash and they have approved this further \$62,500.00 investment in the show. Hundreds of Yukon business people have invested in the Festival. Tent City's investments exceed \$160,000.00 and the Occidental Hotel purchased 2 or 3 trailers at approximately \$11,000.00 each. Other business people in Dawson have invested and

and I would venture a guess that the total investment of Yukon people and other residents would amount to between three hundred and four or five hundred thousand dollars, so that we are very close to a total investment in the Festival of not \$150,000.00 plus \$62,500.00, but in terms of a million dollar investment. The ultimate justification for such a large investment in the Territory is to be found in future revenues in the tourist industry and perhaps it might be useful to consider that in the national survey, the tourist industry in Canada has resulted in direct benefits to Canadians in the whole which exceeds the profit from wheat last year, so we are not talking about a secondary industry. I say these things because I want to give you the background of why I interested myself in the financial difficulties of the Festival Foundation. I believe it is essential for the future of the festival to keep the show viable and it is just as essential to the tourist trade in the Yukon that the effort should be made by everyone of us individually as well as in relation to the offices we hold that we do everything within our power to make the festival a success. If we have any friends who have \$50.00 to invest and we think they might be interested in doing so, we should write them a letter and I am sure that if the people of the Yukon as a whole were to adopt that approach to the Festival, perhaps we will come out of this with a whole skin much quicker than we would otherwise. There are one or two other moral factors and these are with reference to the people in Peru who may have bought tickets to the show and who may have bought tours. We do not know because of the unreliable word of the Austin Travel Agency. There are people who have left their homes now and are enroute to see the show. I think it fair to reflect on the result that the disappointment and the way these people are going to be talking about their disappointment at arriving here and finding no show. Then too, there is the economical factor which I did not put before you and that is the rights to which the Festival Foundation is entitled with respect to future production. While the show, if it terminates prematurely, will not likely receive any great black eye and will probably go to Broadway, there is the problem of carrying the show through to term so that we can negotiate with the Theatre Exchange (meaning the Foundation when I say we) for net profits to be applied to this as to overall indebtedness. It is my understanding that since the installation of controllers, expenses are being watched very carefully and controlled very vigorously in Dawson and regardless of this and my fund raising the festival as a whole is still going to be in a difficult position. It will be necessary for as many people as possible to endeavour to raise the difference in order to keep the festival as well as the show viable and this will have to be a direct plea to our friends and business acquaintances who are interested in this type of investment. I have informed the Treasury Board that I am still willing to travel outside to raise funds to meet the festival deficit. I hope there might be others who will feel free to do the same thing and I hope there will be others who will feel free to write to some of their friends to see if they would be prepared to raise funds. I am prepared to answer any questions Council might put before me and I do not come to Council in an endeavour to palm any responsibility off on Council. I have come here to explain what I have tried to do in order to keep the Festival living for the ultimate benefit of the Yukon Territory as a whole and to report to you the extent to which I have been successful in this. It is roughly \$78,000.00 and I want to make it abundently clear that the Territorial Council is free absolutely to accept or reject the passing on of these moneys to the Foundation as they see fit. One of the difficulties throughout the planning of this has been the lack of proper requests, so I say, in connection with Miss Gartside, the Directors held a meeting after lunch today and I would

like to read to you a resolution, "Moved by Mr. Munroe, seconded by Mrs. Nordling, passed at 1:30 P.M. today by the Board of Directors of the Dawson City Festival Foundation, be it resolved that Eric Nielsen be given the approval of the Foundation to request funds from the Territorial Council, which have been made available for the continuation of 'Foxy' to the conclusion of the Contract August 18th." That is the verbatim resolution and that is the request that I am placing before you in their behalf in the hope that the Festival may be kept alive and the show will do the term. Thank you very much.

Mr. Taylor: Mr. Chairman, I have heard two words here today from the member from Carmacks-Kluane. He used the word understanding and if there is anyone who understands the situation less today it is myself. We were given this problem a very short time ago at another session. We got a balance sheet and we were told this is it. I weighed this very carefully and I voted in favour of this expenditure, but quite apparently there is a tremendous difference between these two balance sheets and there is quite a bit of information brought to us that was not available and in view of this word understanding, we should know who is responsible. Who created this Dawson City Festival? Was this something Dawson City created itself? The second question, we were told our deliberations in Council must either kill this Festival or keep it going, a position we should never have been put in. If there is no decision by tomorrow night the show folds and I somehow sense from the remarks that we again have a gun at our heads and I would be interested in knowing what that closure date would be and perhaps the witnesses could answer the third question, for what reason does the Federal Government come to the Territorial Government and say we will back you so you back them. If the Federal Government, through the Treasury Board is granting this money, I fail to see how they can do this in the state that Parliament is in. Would another Government recognize this Treasury Board guarantee? Before I continue any further, I would like the answer to these three questions. I would direct these questions to the Honourable Member of Parliament, Mr. Nielsen.

Mr. Nielsen: I thought I had answered the third question in my remarks. If there is any doubt about my remarks about the Treasury Board, if you do not wish to accept my word on this thing, I would suggest that you call the Secretary of the Treasury Board who is expecting the possibility of your call, because I went to Ottawa with the knowledge that this point had arisen during your deliberations. I can assure you that the fact of the Treasury Board Resolution is to guarantee, at no cost to the Territory, \$62,500.00 and the same applies to the \$75,000.00, which was part of the \$150,000.00 you passed and I can also give you assurance that whatever political committee is in Parliament at some future date it will be passed. Perhaps not smoothly but it will be passed because there has never been an instance where the Treasury Board has made a resolution which has not been ratified by Parliament. With no offence for the remarks I am going to make, I think it would be rather difficult to fix responsibility on any one individual or body. Probably we can say the Canadian Theatre Exchange in the person of Mr. Patterson, the Dawson City Festival Foundation and the Department of Northern Affairs and National Resources are responsible for the show being here. The show will close if these moneys are not forthcoming to keep it alive next Saturday. Notice will be given today. I hope that that has answered specifically enough the questions which have been raised.

Committee recessed for fifteen minutes at 3:00 o'clock P.M.

At 3:15p.m. Committee of the Whole resumed discussions.

Mr. Nielsen: I would like to say concerning my remarks about everyone trying to pitch in, I have raised \$100.00 while I was having tea. Mr. Hughes said I could have \$100.00.

Mr. Livesey: I find it very difficult to back a dying horse and referring to some of the remarks made by a Member of Parliament for the Yukon Mr. Nielsen, one of the remarks was the matter of tourist revenue being approximately equal to or more than those revenues from wheat. I might point out that as far as I understand, revenues from tourist travel are less than what Canada spends in the United States and what we are trying to do is get our money back from Uncle Sam. I think it is a good idea, but lets catch it back with people who know what they are doing, so that we can say who are you, I am the manager of the financial end and who are you, I am the manager of something else, but we do not know who is responsible for what. The guarantee as far as I understand it, even the \$75,000.00 was guaranteed subject to the approval of Parliament. I do not know all about Parliament, but whatever is subject to approval is not a guarantee. If it is subject to anything it is not a guarantee. Guarantee is one of the most abused words in the dictionary. When you reflect upon the situation you will see that at the moment we do not even have a Government. We have a Government in name only. There is more in the opposition than there is in the Government. They are apparently giving us this guarantee. Furthermore it seems to me that someone somewhere along the line, if they are going to spend \$250,000.00, someone is responsible. Then they had the gall to come to the Territorial Government and say you guarantee it, and we haven't even got it. We have to go to the bank and guarantee it. I think it is the most stupid thing before this Council. We can see that someone has fallen down somewhere. Now they are asking us to add \$65,000.00 to an already existing fiasco. Someone has said we got \$150,000.00 out of you and now we want another \$65,000.00. If this had come before the budget last spring, I could see it, but this something someone made a mess of and then came to us and said you pay, and we cannot. This is a disgrace.

Mr. Shaw: I would like a few words in this matter. I agree with the remarks that the members have made that there has been quite some mis-management in regard to the Festival. This mis-management has not been mis-management in the sense that someone was taking funds. It is a very large enterprise. There were two or three managers of two or three departments and they found that they were providing a champagne show. The income was a lot less than was expected. The Canadian Theatre Exchange made the arrangements and got the type of show they thought would be a very good drawing card to start this Festival off. There is no doubt they got a very good show that has had the acclaim. I am of a firm feeling about that; 98% of the people think it is excellent. The press reports thought it was excellent, with the exception of one in Vancouver. Therefore they have done a remarkable job of presenting a bill of fare. The only thing is that they have not enough money. The people were not aware of the financial straights. The managing of the show was to be done by some person outside who usually finances this type of entertainment, who, just prior to this, when there was a stock market drop, felt he could not put this money into it. This went on and we got into a jam. I am sure there is no one in this room or in this Territory on whom you could put the blame. It is most unfortunate, but it has happened. We come to a bill before us and I think myself that at this time, we must divorce ourselves completely from the past and look to the future in regard to this matter.

We could stay here for the rest of the year condemning the actions in the formation of the show, but it will not help other than it will make us feel good that we could blast someone for the way this was done, but it would not retrieve the damage which has been done. I think at this time perhaps if we can divorce ourselves completely as to what has happened in the past and look to what might happen in the future, first we will go to the system the Federal Government has used to handle this before bringing it to the Territorial Government. We were not aware of these problems until a couple of weeks ago. Some of the members were very much annoyed at the manner in which it was conducted. We had a very short time in which to make up our minds and I agree this was not quite in order. It was just prior to that that the Foundation had engaged the firm of Winspear, Hamilton, Anderson and Company, and they went over the situation and they told us, up to that time what the score was. The amount we have before us, \$62,500.00 is not money which is actually money that has to be taken from the Territorial tax payer. It is money that the Government is providing. Mr. Nielsen has stated that Treasury has given it's word, also that they will pay that \$75,000.00. I accept that as the truth, so that the actual cost to the Territory, according to the auditors, they estimate \$20,000.00 from Foxy. Today it is close to \$14,000.00 which has come into the Treasury and the Festival is just getting under way, but taking in these figures we come to an amount of \$55,000.00 that the Territory has to put into this Festival. I agree this is a lot of money, more than we have ourselves. At the same time, this is an investment and it should be looked upon as an investment in a future industry in the Territory. We find that in Upper Canada Village, they got more customers, they are a lot closer, the Government expended three million dollars and they invested heavily in the Stratford Festival. The Vancouver Government coughed up \$250,000.00 for that. They thought of it as an investment. In Barkerville, our neighbour to the south has put about two million dollars. They expect 140,000 visitors this year, so it is very obvious they are not going to get money from the sale of tickets, but they will derive revenue from the people who are travelling through and spending those American dollars. That is what the Festival is for and at the same time to get Canadian dollars and American dollars into the Yukon. We are forced at this time, with a very short time in which to do so, to determine whether we shall approve this money. Well Gentlemen, being a Director of the Foundation, I can tell you very truthfully, over the last month it has been a matter of having to make up our minds at short notice, but of course when it comes to actual large sums of money, that is beyond the people there to do. The number of people who have come into Dawson since the Festival started has been much larger than usual. There are various reasons why it was not as large as was expected. The advertising was put in the hands of a firm back east, and they advertised in that particular area and the results have not been favourable as to the number of people who have come. It is much easier to look back and assess a situation than to look ahead and the advertising has been directed to the east rather than to the west and Alaska as it has been done in the last week or two. The number of visitors has been six thousand, and twenty-eight hundred and fifty-four automobiles. The paid admissions to Foxy have been three thousand, five hundred and thirty-six people. This particular deal, I feel, is something we must look on with a very long term viewpoint. We cannot just look on it as it is now. At the present it is growing. I just received this information from the people who came from Anchorage and Fairbanks, from the manager of the Cordova Airlines. The figures on their operation to Dawson last year were 223 revenue passengers and that was through to

August 1961. For this year they have, through July, already paid 413 fares from Anchorage to Dawson. Of these 23 were in June. For August over 300. The biggest question they have to answer is "Can you get seats for Foxy?" and "what about driving?". Like I pointed out before we should divorce ourselves from what has happened in the past and look to today and we will find our liability to the Territory will be a maximum of \$55,000.00 deficit, assuming that there is \$20,000.00 coming from the sale of tickets. There were three large fifty passenger American Airliners there that had come full and there were nine private planes and two buses from Whitehorse when I left Dawson to come to this meeting. People from Whitehorse are certainly helping us out in the matter of these seats. This is the amount when we boil it all down, that we must consider, this \$55,000.00. Is the festival, the continuance of this festival, the possibility of making something that is an attraction each year, and I agree we can never have anything like Foxy again, is this going to continue. The amount of money invested by the Federal Government is \$500,000.00, rough figures. The people of the Yukon Territory, chiefly Whitehorse and Dawson, have invested about \$350,000.00 more or less. There is \$850,000.00 invested. This really is money that all the people of Canada are contributing in order to get American dollars in here, so that we can balance up our trade deficit. So, when you analyse the situation, the Territorial Government is not contributing anything that is out of proportion. This money that we have right now is something that will benefit many people in the Territory. You have heard recently and I think you will find it very true, that we have expended twenty two and a half million dollars on roads in the Territory. Surely \$55,000.00 to bring people up here to use these roads, to permit the expansion of business, to help pay the gasoline tax and advertise the Territory is a very very small price. That is the total cost to the Territory. This money that we are asked to pass is to continue this Foxy so that these 300 people who have already reserved their tickets can see it, so that we do not get that black eye. It is a long term investment. I do not know of any business which can expect to get its money back in one year. If I knew of one, I would invest, even if I had to borrow.

Mr. Boyd: A Director to me is a very important man. These people have been talked into spending hundreds of thousands of dollars and all of a sudden, we find out the Directors do not know what went wrong. The balloon went up. These are business men, men who are capable of running their own affairs. They talk about guarantees. This man who had stocks in New York went broke. He is the man who guaranteed this. I feel that as Directors, these fellows should have known this and should have made sure it was foolproof. The future is a myth on this deal. At the last session we had we passed \$150,000.00 by way of a grant. One of my own last questions was to Commissioner Cameron, "Would this money be spent for any other means other than what we had discussed?" There was \$30,000.00 that was in there as an extra loaf. What is the status of the \$150,000.00 we passed two weeks ago? Is it still on hand?

Mr. Riezebos: I have had no direct dealings on this \$150,000.00 myself at this point. I would like to request the Territorial Treasurer to answer that question.

Mr. McKinnon: If it is your pleasure Gentlemen, I will ask Mr. MacKenzie, the Territorial Treasurer, to come before Committee.

Mr. MacKenzie attended Committee.

Mr. McKinnon: Mr. MacKenzie, Committee would like to know what happened to the \$150,000.00.

Mr. MacKenzie: \$55,000.00 went east to repay loans guaranteed by Mr. Dempsey. \$70,000.00 was utilized to pay salaries and wages for Foxy for the period ending July 27th. \$7,500.00 was used to pay festival accounts other than Foxy. \$5,000.00 has been set

aside for advertising, not used yet. There is a balance available of \$12,500.00 of which we propose to use \$10,000.00 which we propose to use to send east to repay a further loan guaranteed by Mr. Dempsey. That means there will be \$2,500.00 cash left with the \$5,000.00 set aside for advertising.

Mr. Taylor: I understood at the last session that Mr. Dempsey had gone on his own hook and raised contributions in the amount of \$87,000.00 and some. Do I understand that we were backing these private loans to the tune of \$55,000.00. We have used this money to repay loans guaranteed by Mr. Dempsey.

Mr. Boyd: Why was this not brought up at the last session? There were no remarks whatever that this was going to be used for the purpose you have used it for. Another question I asked was and I never got it answered, "What other commitments did this Foundation have that held priority over anything that had been discussed at this table?" That was not answered, but obviously there were some. Mr. Shaw talks about \$55,000.00 being all it is going to cost somebody. I cannot see this kind of figure. I think I will have my say and have it over. From a lot of people I have talked to I have got the opinion that the show is not the attraction. Dawson City for what it is, is the attraction. Very few people are going to drive four hundred miles out of their way to see a show. Dawson, for what it is, does mean something and I would think the figures, adding everything up, show that 'Foxy should be shut down for reorganization on a sound business basis and advertised as such.

Mr. Livesey: From page 13 of the Votes & Proceedings of the Council, July 5th, 1962, I read that Commissioner Cameron said I would be very pleased to make any assurances such as you suggested. Now we want another \$62,000.00. At the bottom of this document presented to us by Mr. MacKenzie it says it is clear from the foregoing that the sum of \$62,500.00, for which a Supply Bill is to be presented to Council today, is not going to be sufficient to meet the requirements of the situation. How long is this going to go on? Are we going to keep paying week after week, month after month? We just have excuses. I fail to see where the Commissioner has any authority to borrow money to pay for Can Can Girls. When we discussed the question of the Territorial Government loaning money to people of the Territory under the Housing Ordinance, I pointed out that I do not think that the Council has the power to borrow money, or the Commissioner the power to authorize other than what was stated in the Yukon Act. I wrote a letter and got a letter back in sympathy with my views and Mr. Robertson pointed out that they can include these moneys in the budget and we take it from there. How are we going to get around paying these Can Can Girls. Where is the Commissioner going to get the money? Furthermore, I cannot see where the Commissioner can enact anything as far as the Commissioner-in-Council is concerned in the Yukon Act, with regard to borrowing money. I also do not see where the Commissioner can even do what he did under the Administration Ordinance. If that can be explained, I would like to see it, because I believe that the Yukon Act supercedes everything. I think Mr. Shaw said that he would not be a party to coming back to Council for more money. The \$150,000.00 would have to be it.

Mr. Shaw: Mr. Livesey has quoted a remark I made. I have to admit in respect to this statement, I was wrong. People try to do things with good intentions and if you try, you make mistakes. I have made mistakes in this matter. Mine happens to be a public mistake and I will have to admit making that mistake. However, I do feel that we are still discussing the wrong matter in so far as what has gone on in the past. What is here before us now and what is in the future is what we should be very concerned about. The amount of money that will come out of the Territorial tax payer's pocket is \$55,000.00. It is up to the tax payers to determine whether this long term investment is worth \$55,000.00 or not. I certainly figure it is a very good investment. We have heard about publicity for the Yukon Territory. Since this Festival has been going on, I think the Yukon Territory has been advertised in just about every State in the Union, and every Province in Canada. Mr. Minter showed me some files. This is just someone who decided to gather data in relation to the advertising that has been going on in relation to the Yukon Territory. That is an awful lot of free advertising. There is too much concentration being put on Can Can girls. This is a Yukon Festival. This affects all the Yukon. There is not a person who does not have to spend one or two dollars going through Watson Lake, or Whitehorse or Carmacks. None of these people can get through the Territory without spending \$20.00 each. Each person driving a car contributes eight or ten dollars to the gasoline tax. To assess the actual figures in dollars and cents we have derived in a few short months would be impossible. We should concentrate on what is in the future. This has created headaches to the local people. The member from Whitehorse West mentions where do we get the benefit from this and says a director should know what he is doing and there is no question, a director should know what he is doing, but frequently the directors do not have all the information they should have. This was put up and we were all of a sudden caught slightly undressed and had to get this amount of money. It took contributions from various people. We asked the Territorial Government and the Federal Government to help us. You must look at this in the final analysis and the final analysis is this. If you reject this Bill, "Foxy" closes. That means the Festival closes forever after, because the people in Dawson and Whitehorse have spent time and money to make this thing a success and if this folds up the morale will be shaken. You will never revive it again. To approve this expenditure of money, we must, in our capacity as members of the Yukon Council in Dawson, or Watson Lake, or Carmacks or Whitehorse, look at the money we are spending on behalf of the Territory, on the benefits which will accrue to the Territory. We must look at the actual cost. It is \$55,000.00 and if \$55,000.00, regardless of the mistakes that have been made, is all it costs, it is quite a good bargain.

Mr. Livesey: Mr. Chairman, he says we are talking too much about that which has happened in the past and Can Can girls. I think you do not evaluate a manager's ability on what he will do in the future, but on what he has done already. Anyone's ability is based upon what he does, not on his promises. Their promises, as far as I am concerned, do not mean anything until they come into force. I do not see how you are going to consider spending any more money on something in which you already have no confidence. When a business has no confidence in the management, what you do is fire the management. Anyone can see they have got themselves in the hole. They have come to us for this money. They do not have it. Maybe they had this idea in the very beginning and did not tell us about it. The money has got to come from somewhere. If there is not mis-management, there

is some lack of confidence. As far as killing the Festival, if the show folds up, I think these people who are running it are killing it. No one is going to come and say we are going to give a grant to something that you know has been a failure. You must give an amount to something that shows some success. If you come down out of the clouds. When you are predicating costs you must have some reasonable answers. I brought this up on page 13 July 5th session, and we voted \$150,000.00. Now we are asked for more. How much further are we going to go with this thing, further and deeper in the hole, and we had better stick to the old theme if at first you don't succeed try, try, try again. But surely we are going to make a change? We are not going to give up because the thing has gone into the hole the first time, but to take it and keep making it worse, I cannot see it. I am sorry Mr. Chairman, but I cannot agree.

Mr. Boyd: I would like to ask Mr. MacKenzie what the amount of the loan was that he repaid to Mr. Dempsey.

Mr. MacKenzie: \$55,000.00.

Mr. Boyd: There is \$55,000.00 which has been repaid to a man that was never even discussed. If we had that money we would not be here today. I would like to know how that came into being.

Mr. Nielsen: I might be able to answer that more knowledgably.

Mr. Boyd: That is fine, it seems to me that the answer is irrelevant, it has been done. We vote money for a purpose and they are allowed to use it for something else. I reiterate what I said in the past. The answer does not mean anything. It has been done without the knowledge of Council without the slightest intention as far as Council was concerned.

Mr. Shaw: We still go back to the past. This \$55,000.00 that we discussed, that I mentioned, is what the Territorial tax payer will pay. If it is closed up now, that is the amount the Territorial tax payer will have to pay. In fact, if it is closed up now, he will have to pay about \$60,000.00 because you take away \$7,000.00 worth of tickets already sold. If this show continues and the revenue comes in, the revenue will go into the Territorial coffers to pay back the \$55,000.00, so we could end up with only approximately 35 or 40 thousand dollars. If it stops right now it will cost the Territorial tax payer \$60,000.00, because it was based on return of revenue for the run to August 17th.

Mr. Livesey: A number of people have told me that they are allowing the people of Dawson into the Palace Grand Theatre for nothing. They also tell me that they are paying the piano player who is playing in the "Boiler Room" of the "Keno" \$1,000.00 a week. I would like to know if that is correct.

Mr. Shaw: That is entirely correct. Mr. Patterson was manager of this show and before we could check it, he made certain commitments which included \$1,000.00 a week to the piano player. The contract was made, we were stuck for the amount whether the man played or not, and rather than have him sit and do nothing, we decided to have him play the piano. There is no charge for looking in the Palace Grand. The people go to buy a ticket to see the show.

Mr. Livesey: Are they letting people in free to fill the seats up?

Mr. Shaw: That is the local people. If they have seen it once, then they allow them to see it again. When a seat is vacant they say let them see it if they have not got the money.

Mr. Livesey: We are predicating our returns on the number of people who are going to see this show. We have Mr. Patterson involving the

Foundation without the Foundation knowing anything about it.

Mr. Taylor: I was just going to say that. How can we come down to the word understanding? There seems to be much conflicting information.

Apparently the information we got last time is inaccurate. I understand there are people who have seen this show eight times in order to fill this up because the show people would not play to an empty house. In view of the fact we have committed \$150,000.00 of the tax payers' money, I would suggest that we adjourn to Dawson City to see what is going on. It is obvious the Federal Government has imposed this on Dawson City and a lot of people are hanging on the hook. I see no reason for the Federal Government saying we will back you so you back them. If it is a Federal Government responsibility, let the Federal Government pay their own bills. I want to see that this is made clear that the Yukon Council should not be placed in any possible blame financially here. They were never asked to discuss the financial aspects of this festival. We have all bent over backwards to promote the festival, but the Federal Government has played this Council for suckers.

Mr. Watt: In answer to Mr. Shaw's figures on the cost of this festival, he said we vote \$150,000.00 last special session and he said it would only cost us \$30,000.00 of that \$150,000.00. For

Mr. Shaw's information, this has cost the people of Whitehorse \$75,000.00 worth of black top on the two mile hill and the senior citizens home. Now we are told the total cost of this will be only \$55,000.00. I would like to ask Mr. MacKenzie a question. Have we received any guarantee in writing that we shall receive the \$75,000.00 that we have already voted?

Mr. MacKenzie: We have received a copy of the Treasury Board Minutes which uses the word guarantee.

Mr. McKinnon: Concerning the little rider at the bottom of this memorandum, I wonder if there is any projection made for the future and what this is finally going to cost and where the money is going to come from.

Mr. MacKenzie: This is projected to the 31st of August, not to August 17th. By that time we should be able to wind it up. At that time it seems the expenditures will exceed receipts by \$129,275.00 and we are talking now of \$62,500.00, so, if these figures are accurate, we will need another \$62,500.00 and this at the end of the statement will be outstanding, less moneys arranged for by Mr. Nielsen of \$15,000.00.

Commissioner Cameron: I would like to clarify a couple of points Mr. Livesey brought up. One, pertaining to my remarks at the last meeting. These remarks still stand and I would make them again. That was the truth. As to whether I have the money to spend for Can Can Girls, I have the advice of my Legal Advisor and I believe he can back that up with legislation. I would like to ask Mr. Nielsen if he can explain the \$55,000.00 that Mr. Boyd had asked about.

Mr. McKinnon: To be fair to all concerned, I believe we should let Mr. Nielsen answer the original question that was asked.

Mr. Boyd: We understood this money had been used for a specific reason as we discussed and I never dreamed that this money would be used for anything that was not discussed, but it has been diverted to repay a loan but it has been done and why it is done does not matter. We are talking about the future and this leads me to have less confidence in any figures. I asked Mr. Minter how long that money would last and he said until December, but it cannot last until December if it is diverted, but I will agree to have the question answered.

Mr. Nielsen: I was not at your last Council session, so I do not know what was said by these people. The background as I have it, and I think it is correct, came to me after the commitments were made by Mr. Dempsey, but Mr. Dempsey stands in the same position as any other creditor for which the \$150,000.00 was asked; to discharge existing and future commitments by the Festival Foundation. Mr. Dempsey was asked for money by Mr. Patterson to get the show here a fact that I was not aware of until recently, and was told that if money was not forthcoming the show could not start, he went out and raised the money and committed himself to the extent of \$87,000.00, which money had been passed on for the purpose of discharging its obligations. Mr. Dempsey obtained these moneys from the bank and mortgages and he extended this on his own credit. This was just as much a liability for the Foundation as a can of paint, so that at the time the \$150,000.00 was asked for these outstanding liabilities existed, one of which was the liability to Mr. Dempsey. I was not aware of whether you were given a picture of the liabilities as well as the amount it would take to bring the Festival through. I think, if one reflects for a moment or two, it was a neck sticking out of Mr. Dempsey which many would hesitate to do. With respect to that \$150,000.00 I am sure that no member of the Council wishes to adopt a misleading position here with regard to the general public. Of that \$150,000.00, \$75,000.00 of it is Federal money and what you are considering here now is whether you will be voting a further \$62,500.00 of Federal money which does not come out of the Treasury of the Yukon, nor does it cost money from the people, which brings Mr. Shaws figuring quite accurate. At the moment the revenue from "Foxy" was estimated, the same assurance was given about the \$75,000.00 to the Treasury Board, that they would not be troubled by any more requests and the same assurance was asked for the next \$75,000.00 and the same when the \$62,500.00 was asked for, so I think you might find there is a similarity between the requests made to the Federal Government and to this Council today. The fact is, this vote, if you pass it today will not cost the Territorial Government or the tax payer one red cent. I think it was a rather strong statement that the Federal Government has played the Territorial Council for suckers. I would like to say the Federal Government was asked to step into a financial crisis as a result of the Theatre Exchange and Mr. Patterson for bringing the show to Dawson. The Federal Government did step into the breach and they have been cliff hanging ever since, along with the Foundation. I would add as well that this is Federal money that you are voting. It is done because it is normal to do these things this way by channels which are the usual Government channels which have to be followed. You do this in the usual way, you do this in every vote in which Federal moneys are involved. With respect to the balance of the funds that are necessary. Mr. MacKenzie when he did explain this to you overlooked the fact that \$15,000.00 must come off this picture, because these are funds which are made available from sources other than Government, so this reduces the \$62,500.00 by that sum and the balance which has to be raised for the General Festival, either must be carried as a deficit or be raised by private subscription. I am prepared to go out again to make every effort to raise the balance with good reason, I think that I will be fairly successful. I was pretty successful in Ottawa and I have no reason to think I will not be just as successful in Western Canada.

Mr. Taylor: We have heard now that the Federal Government has been requested to do this and that. The request for this session and these funds has come from the Department of Northern Affairs. Pam Hyatt, \$1,000.00 - I do not know who she is. Everybody is asking for money. The Deputy Minister has called this session and I believe he is hanging on a cliff. He got out there - let him get back himself. Mr. Watt asked if this would be attached to the financial agreement. After much work on behalf of the Council for two long sessions this financial agreement was forwarded to Ottawa. Has this been signed?

Mr. MacKenzie: This agreement has not, so far as I know, been signed. I wrote to Ottawa after the last special session and queried it, and I have not had an answer yet. I do not think it has been signed.

Mr. Taylor: On what date was that request made?

Mr. MacKenzie: I believe it was the day following that special session.

Mr. Nielsen: I must point out that the Minister of Northern Affairs did not call this Council and there was no request from the Minister for funds for continuation of the Festival. I thought I made it quite clear in the spirit of wanting to assist. I volunteered my services to them at a meeting held July 11th. It was me who approached the Federal Treasury Board on behalf of the Foundation and it was me that approached the private people who have come up with the \$15,000.00. I have read this telegram from the Dawson City Festival which clearly sets forth that they are requesting the funds. They made the request to the Federal Government for funds and I make this request of you.

Mr. Livesey: I might point out that I do not care, as far as I am concerned, who comes here for what money, but I want to know who wants the money. Who spent it? This is getting more hypocritical all the time. Surely this Council is not going to be asked for a quarter of a million dollars and no one is responsible. Someone must have spent this money. This is part of somebody's strategy. They were going to put this on Council in the final analysis. In other words, boys you go ahead, your head is up in the clouds and we will raise the money, but they got this bell ringer going around the country and he could not raise a plug nickel, and now they will go to the Territorial Government. This is foxy. The whole thing is foxy as far as I am concerned. I have no faith in it whatsoever. As far as the tax payers are concerned, this is not going to cost them a plug nickel, or a red cent as Mr. Nielsen put it. The Territorial tax payers pay just as much as anyone else to the Federal Government. Tax payers in the Yukon are Federal tax payers, no matter who pays the bill, whether he pays it with the left hand or the right hand, it is going to come from the tax payers of Canada. This is what we must consider this afternoon. Are we going to put in \$62,500.00 to this fiasco? It has just been suggested by the Territorial Treasurer that we are going to need another \$62,000.00. Let's cut it off.

Commissioner Cameron: I would like a few final words, if I may. I am sure everybody has a different set of figures and I do not think any of us could work out a good set of figures, because in the last few weeks we have had our Treasury office working on it and it has been pointed out that there is considerable fiasco involved in this. I understand at present this \$62,000.00 is still firm as per wire. This requires approval of Territorial Council. This is guaranteed by the Federal Government and can only be used for the play. You have heard that \$45,000.00 was supposed to be covered by tickets. Now it looks like \$20,000.00, but it could be \$45,000.00. I am pointing these things out in simple facts. Do not be swayed by this. At the end of this week there is going to be a minimum to cut this show of \$10,000.00 in broken contracts. Unless there can be enough money to operate on day to day expenses, as Mr. Nielsen pointed out, then obviously this play could not carry on. If you should grant the \$62,500.00, it could only be spent to the point that the additional \$62,000.00 was picked up from an outside source. If there was not enough money to pay the stagehands and piano player etc., the show would have to go and anything that had not been used would have to be paid back to the Federal Government.

Mr. Boyd: Mr. MacKenzie mentioned at the first of this, "long term contracts or commitments". What are they?

Mr. Nielsen: As I understand Mr. Chairman, there are three main actors who have contracts to the end of the season, but the rest of the cast are on on weeks notice.

Mr. Taylor: Continuously through these last two sessions I have asked a question and no one has answered. I still cannot understand why the Federal Government comes to the Territorial Government. I received a telegram advising me of this session, it said the Federal Government requested the Commissioner to call this session. Why don't they look after this rather than turning it over to us? Perhaps someone would be in a position to clearly answer this.

Mr. Nielsen: I can answer that quite clearly, for the same reason that the Federal Government passes through the Territory all votes for roads and schools, and everything else in the Territory.

Mr. Taylor: I do not recall seeing anything in regard to the Alaska Highway or anything else. They have never come to us in the past with regard to matters relative to the financial aspects.

Mr. Nielsen: This is just normal Government procedure. It was not in the Federal estimates.

Mr. Taylor: Has the Federal Government got this money?

Mr. Nielsen: They would not guarantee it if they did not.

Mr. Taylor: Then why do you go to the tax payer of the Yukon for this?

Mr. Nielsen: I can only give you this once again, that the guarantee that has been offered will not affect the Territorial tax payer as a Territorial tax payer. The Territorial Treasury will not be out of pocket as a result of passing this money.

Mr. Taylor: I can only say that the Territorial tax payer will be out of pocket in this thing, I cannot see any other way. I have no faith in a Treasury Board number because this must be passed by the Government. It has been stated that never before has this gone wrong. I have no intention of committing the Territorial tax payer for any of this and I feel we have been placed in an unfair position. It says, "subject to parliamentary approval." Will the members of the House of Commons give this assurance?

Mr. Nielsen: They always have in the past.

Mr. Livesey: The Federal Government does not want this little placard wrapped around it's neck.

Mr. Nielsen: They have already had the little placard wrapped around their necks.

Mr. Shaw: There have been mistakes. That is granted. No one can agree more heartily with that. I have been trying to get some of the problems resolved at this table. The Federal Government has been censured for certain actions they have taken in certain directions. The Government is composed of people and people make mistakes from time to time, just as we do. I do not think Council can disagree that the Federal Government has spent a lot of money in the Territory to help us establish a new industry. When the Federal Government gives two or three hundred thousand dollars to assist a mine, there is no guarantee that they will get their money back from that mine. This is a calculated risk. This is an investment the Government has made in good faith. The money we have asked for today is money which the Federal Government has passed to us to pass on at this session. It is money that they are investing for all of Canada to assist this festival to continue. This is not costing the Territorial tax payer, in a direct sense, a red cent. We all know it does not matter what is spent by the Federal Government, we always pay a portion of that. This is a small amount compared to what the Territory and what the people of the Provinces have contributed. So that if we reject this \$62,500.00 vote, we are rejecting an offer of help us to establish a tourist business. It is not something we are putting out of the Territorial Treasury. It is something that is coming from the Federal Government to help us and to reject this would be a very black mark on the Yukon Territory. Whatever may have transpired of how it all came about, they realize we are in a spot and it is advisable to continue and they have provided the money. All they ask is that we approve the expenditure.

Mr. Taylor: It is not clear in my mind at this time whether we are dealing with an outright grant, or are we to make a loan. This Bill says we are making an outright grant.

Mr. MacKenzie: No money is going to be paid out on this Bill until we have to pay it to the bank. When we pay this money it will be a grant.

Mr. Watt: As I see it, and I wish it could be disproved, this program so far has not cost the Federal Government one cent. We receive money each year to operate the Territory. As I see it we have shifted expenditures and we have introduced a new project, which is the Dawson Festival. I say that every dollar we are spending on this is another dollar taken away from something else.

Mr. Nielsen: The Federal Government has invested \$50,000.00 plus \$75,000.00 to pick up your guarantee and this other \$62,500.00. They have invested almost the total cost of the show.

Mr. Watt: I would like to ask Mr. MacKenzie what the Federal Government has saved on Territorial Construction.

Mr. MacKenzie: I cannot say. It is not out yet.

Mr. Watt: If we are simply a vehicle for expending this money, I would vote for it, but I am sure this will come out of the Territorial Estimates.

Mr. Nielsen: If you do not believe me, please phone Mr. Steele.

Mr. Watt: I would like stronger assurances than that.

Mr. Nielsen: Mr. MacKenzie will be receiving a document from the Treasury Board, which is not normally done.

Mr. Watt: Do you have such a copy Mr. MacKenzie?

Mr. MacKenzie: We have a copy which is signed, which indicates that the original is signed.

Mr. Livesey: The Federal Government like any other organization are drawing up an agreement of how much they are spending in the Territory. If they spend it on one thing, they will save it on something else. They get their money back by not giving us \$62,500.00 for a hospital. They say we cannot do it, we do not think you need it. If that five year agreement was signed I would feel different about this. They can come up and say we have an Austerity Program here and we must trim our budget. I am not saying it will happen, but it could happen. What they do not get one way they get some other way. They are good competent people, they know their business when it comes to money. I hope we are just as efficient ourselves.

Mr. Shaw: I honestly feel that if this Bill is rejected it will do a great deal of damage to the Yukon Territory. To continue it is no cost, but profit to the Territory. I know that many members are quite annoyed about how this came about, but if we approve it, it will mean that we can amortize some of the receipts of the play so that it will cost the Territorial tax payer less. If it is rejected it will make a very dark mark on the Territory and practically prohibit any more Yukon Festivals. It would boil down to a fact that we are rejecting a gift from the Federal Government at the expense immediately of a number of thousands of dollars to the tax payer and also to the future of the Territory.

Mr. Livesey: I think it will sharpen people up with the pencils and will point out that fact that we need managers who know what the cost will be. It will smarten them up to the fact that we need a little more information than we have. Furthermore you say it will kill every festival from now on if we do not stop this caper. All this mismanagement should be stopped and we should clean house. They do not know where they are going.

Mr. Boyd: On this statement we have here it says loans guaranteed by the Territorial Government \$150,000.00 and loans guaranteed by the Federal Government \$50,000.00.

Mr. Riezebos: That was the first fifty on May 17th.

Mr. Boyd: The Federal Government was able to guarantee that without coming to the Territorial Government.

Mr. Nielsen: I do not know if that was a guarantee.

Mr. Boyd: Mr. Cameron could you answer that. Did they get that guarantee without coming through the Territory.

Commissioner Cameron: Is that not a grant?

Mr. MacKenzie: It is a loan for the time being. It will be a grant when it appears in the Territorial Supplementary Estimates.

Mr. Boyd: So the Federal Government is able to guarantee \$50,000.00. Why is it essential that they come through us now with the \$62,500.00? I do not think this is necessary.

Mr. Taylor: Mr. Chairman it is quite clear the Federal Government does not require our backing for the money. Let them pay their own bills.

Mr. Shaw: This is for the Territory, not for Ottawa.

Mr. Watt: If the Federal Government wishes to use or to give this money, I would gladly vote for it, but I do not think it is costing the Federal Government a cent and I still have no guarantee that the Federal Government has not recovered the \$75,000.00.

Mr. Nielsen: I invite you again to confirm with Mr. Steele.

Mr. McKinnon: He would have to phone about 250 members of the House of Parliament.

Mr. Nielsen: This stems from a lack of knowledge of the procedure. Once Treasury Board puts their signature on it, it is just as binding. If the Government changes the next day, it is just honoured, that is all.

Mr. Watt: Can you give us a reason for the deletion of \$125,000.00 worth of contracts in the Whitehorse area?

Mr. Nielsen: There has been no deletion as far as I know, because it is still under discussion by the Treasury Board. The two-mile hill has not been deleted. It is under consideration now along with all the rest of the Federal investments in the Yukon.

Mr. Boyd: I would like to ask Commissioner Cameron what is the difference between this \$50,000.00 in May and the \$62,000.00 now?

Commissioner Cameron: The \$50,000.00, as I understand it, was given to put the show on the road in the beginning by the Federal Government. It never came through the Territory. They never contacted us at all. They have asked that we guarantee the \$62,500.00 and they will repay us. This is for a special purpose.

Mr. Boyd: That is not my point. They have guaranteed \$50,000.00 in May on their own. Is there anything to stop them from doing the same thing again?

Mr. Nielsen: No more than there is against the Territorial Council in passing the last Bill.

Mr. Taylor: It is not a big cost, but it is a reasonable cost to tax payers of the Territory for these members to come to Whitehorse for special sessions. I cannot understand why this additional expense. Obviously they can pay their own bills. We are all interested in the Festival. We have never been told anything about this financial business and although we will all benefit from it, this stage show is not our brain child, it is the Federal Government's. It is criminal. If they can hire these people then they are responsible. Let the Federal Government pay their own bills.

Mr. Nielsen: The bills are the bills of the Festival Foundation and the Federal Government is coming through with the money for payment.

Mr. Shaw: The Festival Foundation required this money to keep the show going. Mr. Nielsen said he would do it. He went to Ottawa to see what he could do. Ottawa saw the figures and said that they would help out in the matter of \$62,500.00. Other persons have helped out in the matter of \$15,000.00. Mr. Nielsen, I feel has certainly done a good job of what he has done and the result is the Federal Government says fine and dandy. It is for your area, we will make that available to the Territorial Government. We are asked to spend money that has been granted to us to pay this. This Festival is starting to pick up now and it has another month to run, but if we close out this show now, we have just had it. It is finished and we have the power in this Council Chamber right now of either agreeing to accept a grant from the Federal Government or objecting to it and watching the whole thing thrown down the Yukon River. This is what the results will be whether we accept or reject this Bill.

Mr. Boyd: There is an awful lot of mention of looking to the future. To me it involves the same amount of trouble and the same amount of money to get going and so on. You are shaking your heads. I was told this show folds up when it leaves the Yukon, it no longer exists. If

you are going to have another show it will cost you more money or you are not going to have another show. This is the part of the show we are talking about and if we close it now and have no show next year, you are either going to run it to the 17th of August or you are going to close it now. If you do not close it you are not going to be getting \$300,000.00 next year.

Mr. Shaw: This year there has been a lot of mistakes. The show has been too elaborate, but we are getting down to the last of it right now and I would have no part in anything as elaborate in the future. But there is nothing to stop a show next year. If it is folded up now it finishes definitely, but to keep it going here with this grant we can go for years to come with a festival that is business like. I would plead with you to look to the results on your decision to-night. If you cast this out, I think it would be the biggest mistake of all to close it down now at this stage of the game.

Mr. Watt: I would like to agree with Mr. Shaw that Mr. Nielsen has done a good job before this Council and I think Mr. Shaw has done a very good job, but I am still convinced that the people of the Territory will still have to pay the \$75,000.00 and the \$62,500.00. I feel we have contributed \$190,000.00 to the festival and I think that is quite a fair amount to expect Council to pay.

Mr. Livesey: It is a most unorthodox way of financing anything in the history of the Yukon Territory. They are reaching all over like the branches of a tree for figures. It is a shotgun procedure. Next week something and next week something else. It is approaching a scandal in my estimation. This is the tax payers' money we are playing tag with. This is a matter of a bunch of characters filling themselves up with wind and dropping bills all over for money.

Mr. McKinnon: The question before Committee is whether to grant the money.

Mr. Shaw moved that Bill No. 1, "An Ordinance for Granting the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory", be accepted without amendment.

Mr. McKinnon: As there is no seconder for the motion Mr. Shaw, I will have to declare that this Bill has not passed from Committee and has no seconder and therefore it cannot be placed before Council at this time.

Mr. Watt moved, seconded by Mr. Boyd, that Mr. Speaker resume the Chair to hear the report of the Committee.

Motion Carried.

When Mr. Speaker resumed the Chair, Mr. McKinnon, Chairman of Committee reported as follows: Council resolved into Committee of the Whole at 2:10 P.M. Bill No. 1 was read in Committee. Mr. Nielsen, Mr. Riezebos and Mr. MacKenzie were called before Committee. It was moved by Mr. Shaw that Bill No. 1 be passed from Committee without amendment. As there was no seconder this motion was not carried.

Council accepted the report of the Committee.

Mr. Taylor: I would like to place a motion before Council at this time respecting the deliberations of Council this afternoon and this motion would read that a full and thorough investigation be

made respecting the leading up to this fiasco in the Dawson Festival and that a report be sent at some later date to the Members of this Council.

Mr. McKimmon: Mr. Speaker, why flog a dead horse?

Mr. Shaw moved, seconded by Mr. Watt, that Council take the necessary steps for prorogation.

Motion Carried.

Mr. Speaker: Mr. Commissioner, the Council of the Yukon Territory has concluded its deliberations and on behalf of the Council I would ask that you prorogue the Council at this time.

Commissioner Cameron: Mr. Speaker, Members of Council, thank you once again for coming out. I know it is your busy season and we did not expect to call you out again. We appreciate the effort you have put into this meeting. As there is no Bill to be assented to, I will declare this session prorogued.

Council prorogued at 5:30 P.M., Monday, July 23rd, 1962.

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SESSIONAL PAPER - No. 1 - 1962 third Session.

P.O. Box 2029,
Whitehorse, Yukon Territory,

23 July, 1962.

GOVERNMENT OF THE YUKON TERRITORY

MEMORANDUM

TO: Commissioner

FROM: Territorial Treasurer

SUBJECT: Dawson City Festival

DATE: July 23rd, 1962.

Based upon up to date information, the auditors of the Dawson City Festival Foundation have prepared a revised statement of expenditures and receipts, projected to the 31st of August 1962, on which date it is estimated that it should be possible to wind up the Foundation's affairs for this year. A copy of that statement is enclosed herewith, and from it the following points will be noted:-

- (1) Revenue from the sale of tickets to "Foxy" is estimated at \$20,000.00 instead of \$46,600.00 in the previous statement considered by Council at their recent one-day special session. The reason for this reduction is that the seating capacity of the theatre is now found to be four hundred, not five hundred as first thought, and the average price per ticket has been reduced to \$5.00.
- (2) Revenue from tours is shown at \$1,000.00 instead of the \$21,000.00 previously stated. The figure of \$21,000.00 was based upon information supplied by John Austin Travel Limited, which has been found to be unreliable.
- (3) The excess of expenditure over receipts will be seen to be estimated at \$129,275.00, with loans outstanding of \$195,100.00.

It is clear from the foregoing that the sum of \$62,500.00, for which a Supply Bill is to be presented to Council today, is not going to be sufficient to meet the requirements of the situation.

"K. MacKenzie."

DAWSON CITY FESTIVAL

STATEMENT OF ESTIMATED CASH POSITION

AS AT AUGUST 31, 1963

Estimated Expenditures

Salaries and Wages	\$ 20,000.00
Rent and occupancy costs	7,800.00
Advertising and promotion	4,000.00
Automobile	1,400.00
Travel	1,000.00
Telephone and telegraph	3,000.00
Professional fees	3,500.00
Furniture and equipment	1,000.00
Canadian Theatre Exchange	56,000.00
Allowance for contingencies	5,000.00
S.S. Keno cash deficit - per Schedule "1"	10,200.00
Cost of Foxy - per Schedule "1"	<u>258,975.00</u>
	<u>\$371,875.00</u>

Estimated Receipts

Donations and memberships	\$ 41,000.00
Sale of Souvenirs and programmes	500.00
Revenue from tours	1,000.00
Payable to W.A. Dempsey - in trust	15,100.00
Government grant and loans - per Schedule "1"	\$205,000.00
Deduct: Revenue from Foxy	<u>20,000.00</u>
	<u>185,000.00</u>
Excess of expenditures over Receipts	<u>\$ 242,600.00</u>
	<u>\$ 129,275.00</u>

Loans Outstanding

As at August 31, 1962

W.A. Dempsey - in trust	\$ 15,100.00
Territorial Government	130,000.00
Federal Government	<u>50,000.00</u>
	<u>195,100.00</u>

Based on information available as at July 20, 1962, the above statement reflects the cash position as it is expected to be as at August 31, 1962.

SCHEDULE "1"

S. S. KENO

STATEMENT OF ESTIMATED CASH POSITION

AS AT 31st AUGUST 1962

Expenditures:

Salaries and Wages		\$ 3,100.00
Artists' Fees - \$ 1,137,50 per week		8,000.00
Janitor Supplies		100.00
Furniture and Equipment		2,000.00
		<hr/>
		\$ 13,200.00

Receipts:

Room Rentals	\$ 1,000.00	
Bar Profits - Net	<u>2,000.00</u>	<u>3,000.00</u>
		<hr/>
Excess of Expenditures over Receipts		\$ <u>10,200.00</u>

GOVERNMENT GRANT AND LOANS

Grant:

Territorial Government - for Restoration		\$ 5,000.00
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Loans Guaranteed by:

Territorial Government	\$ 150,000.00	
Federal Government	<u>50,000.00</u>	<u>200,000.00</u>
		<hr/>
		\$ <u>205,000.00</u>

COST OF FOXY

Cost to Curtain Time:

Funds Supplied by W.A. Dempsey - In Trust		\$ 86,475.00
Loan Guaranteed by Federal Government		<u>50,000.00</u>
		136,475.00

Cost of Run - 7 Weeks @ \$ 17,500.00

	<u>122,500.00</u>
	\$ <u>258,975.00</u>

