



The Yukon Legislative Assembly

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HANSARD

Wednesday, March 28, 1979 — 7:30 p.m.

Thursday, March 29, 1979 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Whitehorse, Yukon

Wednesday, March 28, 1979 - 7:30 p.m.

Mr. Chairman: I shall call the Committee of the Whole to order.

I welcome Mr. Wilson back with us tonight as our witness. We are on An Ordinance to Amend the Fuel Tax Ordinance. The first amendment we have dispensed with.

The second amendment: moved by Mr. Penikett, that Bill Number 8 entitled An Ordinance to Amend the Fuel Tax Ordinance be amended in Clause 1 on page 1, by deleting in paragraph 4.(1)(b) the word "seven-tenths", and substituting therefor the word "five-tenths".

Hon. Mr. Pearson: Mr. Chairman, I think for the edification of Committee, I should point out that the proposed increase in the Bill, would bring the tax on aviation fuel to 3.2 cents per gallon.

Now, Mr. Chairman, in BC it is five cents a gallon; Alberta it is three cents a gallon; Saskatchewan it is six cents a gallon; Manitoba it is five cents a gallon; Ontario it is three cents a gallon; Quebec is three cents a gallon; New Brunswick is three cents a gallon; Nova Scotia is three cents a gallon; so I do not think, Mr. Chairman, that we are out of line at all.

Mr. Fleming: Yes, I was just wondering just what amendment we are on now.

Mr. Chairman: We are on amendment number 2, that is Bill Number 8, An Ordinance to Amend the Fuel Tax Ordinance, be amended in Clause 1 at page 1 by deleting in paragraph 4.(1)(b) the word "seven-tenths" and substituting therefor the word "five-tenths".

(Amendment defeated)

Mr. Chairman: The next amendment: It is moved by Mr. Penikett, seconded by Mr. MacKay, that Bill Number 8 entitled An Ordinance to Amend the Fuel Tax Ordinance be amended in clause 1 in page 1 by deleting in paragraph 4.(1)(c) the words "four and two-tenths" and substituting therefor the words "three and five-tenths".

Hon. Mr. Tracey: Mr. Chairman, further to the edification my colleague gave you on the last one, I will give you some more on this one.

The diesel fuel price in the Yukon Territory will go to 19.1 cents; and BC is nineteen cents, and all other provinces in Canada are over the twenty-five cent mark, with Saskatchewan being twenty-six and Nova Scotia being twenty-seven. The only one that is less than twenty-five cents is Manitoba which is twenty-one cents.

I also must say that a lot of the cost of this diesel fuel tax is going to be passed on to Japan through the Anvil contract. They have the ability, in their contract, to pass the price along to Japan. So not only the truckers going to Alaska are going to pick up a lot of this tax, it is also going to be to Japan.

Hon. Mr. MacKay: I would like to make a couple of observations on this aforementioned. The first one is that it is fine to talk about the relative tax costs. I think that you have to look at it from a trucker's point of view and look at the total cost per gallon and when you look at the costs out here, in total, they are pretty high and higher than anywhere else.

The other point is that I would certainly be interested in the statistics of proving that the Yukon has lower taxes on these things when it comes to any discussion in the future on the cost of provincial status.

Hon. Mr. Lang: Mr. Chairman, I did not think that democracy had a price tag but if the Honourable Member says it has, perhaps we should accept that as the gospel. Of course, that will change two months from now.

Mr. Chairman: Shall the amendment carry?

The yeas are four, the nays are seven.

(Amendment defeated)

Mr. Chairman: The next amendment: it has been moved by Mr. Penikett, seconded by Mr. MacKay, that Bill Number 8 entitled An Ordinance to Amend the Fuel Tax Ordinance be amended in Clause 1 at

page 1 by deleting in paragraph 4.(1)(d), the words "three and two-tenths" and substituting therefor the word "three".

(Amendment defeated)

Mr. Chairman: Shall clause 1 carry?

(Clause 1 agreed to)

Mr. Chairman: Shall clause 2 carry?

(Clause 2 agreed to)

Mr. Chairman: Shall clause 3 carry?

(Clause 3 agreed to)

Mr. Chairman: Shall clause 4 carry?

(Clause 4 agreed to)

Mr. Chairman: The Preamble and the Title - The Commissioner of the Yukon Territory, by and with advice and consent of the Council of the said Territory enacts as follows:

An Ordinance to Amend the Fuel Tax Ordinance). Shall the preamble and the title carry?

(Preamble and Title agreed to)

Hon. Mr. Pearson: Mr. Chairman, I would move that you do now report Bill Number 8, An Ordinance to Amend the Fuel Oil Tax Ordinance, without amendment, to the Assembly.

Mr. Chairman: It has been moved by Mr. Pearson that Bill Number 8, An Ordinance to Amend the Fuel Tax Ordinance be reported without amendment to the Assembly. (Motion agreed to)

Hon. Mr. Pearson: Mr. Chairman, we have in Committee for our consideration, at this time, further discussion on Bill Number 9, the Northern Natural Gas Pipeline Agreement Ordinance. I would think it would be appropriate for us to go to that Bill at this time.

Mr. Chairman: Mr. Wilson, you will be free to leave us at this time. Thank you for being with us.

Hon. Mr. Pearson: Mr. Chairman, on behalf of Committee I would just like to thank Mr. Wilson for being our very, very helpful witness during the course of the budget. I am sure it has been appreciated by all Members on both sides of the House.

Mr. Penikett: Mr. Chairman, without declaring a formal recess, I wonder if you might give some of us a minute to gather our material on the Pipeline Bill because not everybody brought it into the House?

Mr. Chairman: At this time, I shall call a short recess.

(Recess)

Mr. Chairman: I will now call the Committee of the Whole to order.

Mr. Hanson: Mr. Chairman, I move that you report and beg leave to sit again.

Mr. Chairman: It has been moved by Mr. Hanson that we report and beg leave to sit again.

(Motion agreed to)

Mr. Chairman: What is your further pleasure?

Mr. Penikett: I move that Mr. Speaker do now resume the Chair.

Mr. Chairman: It has been moved by Mr. Penikett, that Mr. Speaker do now resume the chair.

(Motion agreed to)

(Mr. Speaker resumes the Chair)

Mr. Speaker: I now call the House to Order.

May we have a report from the Chairman of Committees?

Mr. Lattin: Mr. Speaker, the Committee of the Whole has considered the following Bills: Bill Number 4, First Appropriation Ordinance, 1979-80; Bill Number 5, Financial Agreement Ordinance, 1979; Bill Number 6, Loan Agreement Ordinance, (1979) No. 1; Bill Number 7, Municipal General Purpose Loan Ordinance, 1979; Bill Number 8, An Ordinance to Amend the Fuel Oil Tax Ordinance; and direct me to report the same without amendment. The Committee begs leave to sit again.

Mr. Speaker: A question from the Chair: was Bill Number 9 included?

Mr. Chairman: No, Mr. Speaker.

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

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

When shall Bill Number 4 be read a third time?

Hon. Mr. Pearson: Now, Mr. Speaker.

Mr. Speaker: Proceed.

Bill Number 4: Third Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Member from Tatchun that Bill number 4, the First Appropriation Ordinance, 1979-80 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 4 be now read a third time.

(Motion agreed to)

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

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 4 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 4 do now pass and that the title be as on the Order Paper.

(Motion agreed to)

Mr. Speaker: When shall Bill Number 5 be read a third time?

Bill Number 5: Third Reading

Hon. Mr. Pearson: Now, Mr. Speaker. I move, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 5, Financial Agreement Ordinance, 1979 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 5 be now read a third time.

(Motion agreed to)

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

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 5 do now pass, and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development, that Bill Number 5 do now pass and the title be as on the Order Paper.

(Motion agreed to)

Mr. Speaker: I shall declare that Bill Number 5 has passed this House.

When shall Bill Number 6 be read a third time?

Bill Number 6: Third Reading

Hon. Mr. Pearson: Now, Mr. Speaker. I move, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 6, Loan Agreement Ordinance (1979) No. 1 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 6 be now read a third time.

(Motion agreed to)

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

Hon. Mr. Pearson: Yes, Mr. Speaker, I move seconded by the Honourable Minister for Tourism and Economic Development that Bill Number 6 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 6 do now pass and that the title be as on the Order Paper.

(Motion agreed to)

Mr. Speaker: I shall declare that Bill Number 6 has passed this House.

When shall Bill Number 7 be read a third time?

Bill Number 7: Third Reading

Hon. Mr. Pearson: Now Mr. Speaker. I move, seconded by the Honourable Member for Tourism and Economic Development that Bill Number 7 Municipal General Purpose Loan Ordinance, 1979 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 7 be now read a third time.

(Motion agreed to)

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

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister for Tourism and Economic Development that Bill Number 7 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Leader of the Government seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 7 do now pass and that the title be as on the Order Paper.

(Motion agreed to)

Mr. Speaker: I shall declare that Bill Number 7 has passed this House.

When shall Bill Number 8 be read a third time?

Bill Number 8: Third Reading

Mr. Chairman: Now, Mr. Speaker. I move, seconded by the Honourable Members of Tourism and Economic Development that Bill Number 8, An Ordinance to Amend the Fuel Oil Tax Ordinance be now read a third time.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 8 be now read a third time.

Division has been called.

Mr. Clerk will you poll the House?

Hon. Mr. Pearson: Agreed.

Hon. Mr. Lang: Agreed.

Hon. Mr. Tracey: Agreed.

Hon. Mr. Graham: Agreed.

Mr. Lattin: Agreed.

Mr. Falle: Agreed.

Mrs. McCall: Agreed.

Mr. Hanson: Agreed.

Hon. Mr. MacKay: Disagree.

Mrs. McGuire: Disagree.

Mr. Penikett: Disagree.

Mr. Byblow: Disagree.

Mr. Fleming: Agreed.

Mr. Clerk: Mr. Speaker, the results are nine yea, four nay.

(Motion agreed to)

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

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Tourism and Economic Development that Bill Number 8 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Leader of the Government, seconded by the Honourable Minister of Tourism and Economic Development, that Bill number 8 do now pass and that the title be as on the other Paper.

(Motion agreed to)

Mr. Speaker: Bill Number 8 has passed this House.

Mr. Hanson: Mr. Speaker, I move we do now call it 9:30 o'clock.

Hon. Mr. Tracey: I second the motion.

Mr. Speaker: It has been moved by the Honourable Member from Mayo, seconded by the Honourable Minister of Tourism and Economic Development, that we do now call it 9:30.

(Motion agreed to)

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

(Adjourned)

Whitehorse, Yukon

Thursday, March 29, 1979 - 1:30 p.m.

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

Mr. Speaker: We will proceed at this time with prayers.
(Prayers)

Hon. Mr. Tracey: Mr. Speaker, I would like to draw the attention of this House to the presence in the Gallery of members of the British Columbia Construction Association.

As we are committed to economic development in the Yukon Territory, we are most pleased to see groups such as this with us today.

Mr. Speaker: We will then proceed at this time to the Order Paper. Are there any Documents or Returns for Tabling?

ROUTINE PROCEEDINGS

TABLING OF DOCUMENTS

Hon. Mr. Graham: Mr. Speaker, I would like to table the answer to a question from Mr. Byblow concerning school counselling services.

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

Petitions?

Are there any Bills for Introduction?

BILLS: INTRODUCTION AND FIRST READING

Hon. Mr. Tracey: Mr. Speaker, I move, seconded by the Minister of Municipal and Community Affairs, that a Bill entitled An Ordinance to Amend the Dental Profession Ordinance be now introduced and read the first time.

Mr. Speaker: It has been moved by the Honourable Minister of Tourism and Economic Development, seconded by the Honourable Minister of Municipal and Community Affairs, that a Bill entitled An Ordinance to Amend the Dental Professions Ordinance be now introduced and read a first time.

(Motion agreed to)

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member from Mayo, that a Bill entitled Firearms Administration Agreement Ordinance be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member from Mayo that a Bill entitled Firearms Administration Agreement Ordinance be now introduced and read a first time.

(Motion agreed to)

Mr. Speaker: Are there any further bills for introduction?

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

Are there any Statements by Ministers?

This then brings us to the Question Period.

QUESTION PERIOD

Question re: DREE and ARDA Applications

Mr. Penikett: Mr. Speaker, yesterday, in answer to my question concerning special ARDA applications, the Minister of Tourism and Information said that he advised the chairman of the committee approximately two or three weeks ago of the Executive Committee's scrutiny of such applications.

I wonder if the Minister would now be prepared to clarify his answer of yesterday in light of statements made in the press today.

Hon. Mr. Tracey: Mr. Speaker, I made one slight mistake, I said "chairman", and I should have said "co-chairman". I did notify the co-chairman of that committee that we would be scrutinizing all applications and; further on this, I contacted the chairman today and notified him that this would be continuing.

Mr. Penikett: Mr. Speaker, I have a supplementary to the same Minister. In view of the new role for the Executive Committee in vetting these applications, can the Minister advise the House as to the purpose of the oversight committee in the light of this new role for Executive Committee?

Hon. Mr. Tracey: Yes, Mr. Speaker, the committee is to do the job of organizing and studying the applications and there is no political input into it anywhere. This is a political body and has to make the choice for the electorate and so we certainly, as signatories to this agreement, would be scrutinizing everyone of the applications.

Mr. Penikett: Mr. Speaker, I would like to ask the Minister then, in light of his statement just now, under exactly what authority does the Executive Committee operate in assuming this veto power over applications?

Hon. Mr. Tracey: Mr. Speaker, the Commissioner has to sign every one of these agreements and we are acting, in our position, as advisors to the Commissioner.

Question re: Resignation of Chief Probation Officer

Hon. Mr. MacKay: Thank you, Mr. Speaker, my question is to the Minister of Justice. My question, Mr. Speaker, is: if the Minister of Justice is still proceeding with his investigation of the circumstances surrounding the resignation of the Director of Corrections, would he be prepared to widen the scope of that investigation, at this time, to include the reasons for the resignation of the Chief Probation Officer?

Hon. Mr. Graham: No, Mr. Speaker, I would not.

Hon. Mr. MacKay: In view of the recent resignations and the obvious organization and morale problems in his Department, would the Minister be prepared to establish a committee of this House at some future point, to examine the whole role of the Corrections Branch and the probation system as well as the prison system?

Hon. Mr. Graham: Mr. Speaker, I do not know where the Member gets his facts as to the obvious morale problem in the Justice Department. I do not believe there is an obvious morale problem. I think that the Member opposite should perhaps, qualify that statement.

I would like to point out to the Member opposite that this side of the House is in charge of various departments in the Territorial Government and we will attempt to administer those departments to the best of our ability.

Question re: Gas Franchise Applications

Mr. Penikett: Yes, Mr. Speaker, I have a question for the Government Leader.

The Government may, shortly, be receiving applications for gas franchises in Yukon. I would like to ask the Government Leader if this Government will be considering giving such a franchise to the Yukon Power Corporation, which has been proposed by this House?

Hon. Mr. Pearson: No, Mr. Speaker, but, in fact, we will be considering giving authority to what is now the Electrical Public Utilities Board to deal with such franchise applications.

Mr. Penikett: Mr. Speaker, in consideration of the granting of that authority, will the Government investigate the possibility of having established a Yukon Power Corporation for the purposes of holding such franchises?

Hon. Mr. Pearson: Yes, Mr. Speaker, we can investigate the possibility.

Mr. Penikett: Will the Government Leader then, also, give us his assurance that no gas franchise will be given to a foreign owned utility company?

Hon. Mr. Pearson: No, Mr. Speaker, I am not prepared to give that

assurance or any other in respect to this at this time.

Question re: Railroad from Alaska to BC

Mr. Byblow: I also have a question for the Government House Leader. In light of recent political vibrations from the BC side of the border respecting an Alaskan-BC railroad, can the Minister indicate if these reports have had any bearing in his recent White Pass talks in Vancouver?

Hon. Mr. Pearson: No, Mr. Speaker, those vibrations did not have any effect on our talks because they had not happened at that time.

We are aware of previous talks and, in fact, the previous government was involved, in meetings with the Alaska and BC people in Anchorage a year ago.

It was the stand of the Territorial Government, at that time, that our priority was the extension of the White Pass Railroad into central Yukon. It was the feeling of the BC Government that a railroad connecting British Columbia and Alaska or, if you will, Alaska and the southern 48 States, was a decision based purely on politics that would have to be made by the Americans and it would have to be funded by the Americans. The BC Government, at that time, was not interested in such a proposal.

Mr. Byblow: Could the Government House Leader indicate to what extent his Government considers any railroad, particularly the White Pass Railroad, an integral part of his Government's resource development strategy?

Hon. Mr. Pearson: Mr. Speaker, transportation infrastructure has got to be an integral part of any kind of economical development and we think that the railroad is of paramount importance because it is a proven fact that large quantities of commodities, such as ore, can be hauled most economically by a railroad.

Mr. Byblow: Is the Government Leader aware of the 1977 Socio-economic Study on Rail Extension into Yukon and perhaps, what merit does his Government assess on its recommendations?

Hon. Mr. Pearson: Yes, Mr. Speaker, we are very aware of the study. We think that the recommendations are such that now they have to be taken into cognizance of anything that is done in the future. In fact, Mr. Speaker, the study indicates that the socio-economic impact of a railway extension would not be a deterrent to such an extension.

It also suggested that Carmacks would have to be assisted in developing economically if such an extension took place, because it would suffer as a result of a demise of its role in the truck transportation industry now. It also suggested that the major centres of Whitehorse and Faro would not suffer adversely, socially or economically, if the rail was extended. We have the infrastructure in place to handle that.

Question re: Gas Franchise Applications (Continued)

Hon. Mr. MacKay: Yes, Mr. Speaker, my question is to the Government Leader, with respect to the changes he just indicated, that maybe going forward to the Electrical Public Utilities Board. In these changes, would he be prepared to give direction to the Board that they give preference to Yukon owned companies to obtain these kind of franchises?

Hon. Mr. Pearson: Mr. Speaker, if these changes are going to take place, they are going to have to be done by amendments to legislation that will have to come to this House.

Hon. Mr. MacKay: In the preparation of this legislation, will the Government Leader undertake to review the possibility of giving preference to Yukon owned companies and, also, to allowing municipalities to apply for the right to distribute gas?

Hon. Mr. Pearson: Mr. Speaker, the whole concept of the Public Utilities Legislation is to give the authority to the Board to make, what it considers to be, a recommendation in the best interests of all of the people in the Territory. Certainly, these types of things would have to be things that they would be considering.

Hon. Mr. MacKay: It is also, I believe, in the context of this that the Government will be trying to initiate some kind of policy directions to such a board and I would ask if the government would be prepared to give direction that no monopoly position, with respect to the supply of electricity and gas, would be allowed to occur with any one company.

Hon. Mr. Pearson: Again, Mr. Speaker, this is the kind of thing that, if we are going to be giving direction to the board, will have to be done in legislation. I would submit, Mr. Speaker, the Honourable Leader of the Opposition will have ample opportunity at that time to put forward these suggestions.

Question re: Small Business Loans

Mrs. McGuire: Thank you, Mr. Speaker, I will direct these questions to the Government House Leader. These questions are con-

cerning the Small Business Loans on which the Government House Leader has given us an accounting of such loans which, I may add, has left us wondering what type of expertise is practised in this department. My questions to the Government House Leader are: is it this government's intention to re-activate this department; and is it this government's intention to collect the outstanding loans of some \$758,000 or resort to write-offs?

My last question is: How many applications were received and were not considered for funding during the last two years?

Hon. Mr. Pearson: Mr. Speaker, I think Honourable Members had better be aware that this is a Federal program and that this Government's involvement is only one administration officer who is called the Small Business Loans Officer and a certain portion of his salary is recoverable from the Federal Government, as a result, one clerk in Treasury whose salary again is paid directly to Small Business Loans.

The loans are made by a board and upon that board's recommendations and decisions, by the way.

Mr. Speaker, the Small Business Loans program has not cost this Government anything. It is Federal money that has been spent, it is Federal money that is outstanding and it is Federal money that is being collected.

I reported to the House during the Budget Session that there were, I cannot recall, but I believe some twenty of these outstanding loans are in the hands of lawyers for collection.

This is taxpayers' money, and of course, needless to say, any government will attempt, in every way it can, to try to collect that money and get it back into circulation where it is supposed to be.

As for the number of loan applications that have been rejected by the Board over the period of years, I am sorry, Mr. Speaker, I have no idea at all.

Mr. Fleming: Supplementary on that, Mr. Speaker, did I understand the Government Leader to say that there will be no cost to this Government in any of the court cases that are brought forward?

Hon. Mr. Pearson: Yes, Mr. Speaker. The administration of Small Business Loans is a responsibility of this Government. I am not absolutely certain, I believe that our only cost is the clerical staff that is involved, but no other.

Question re: Land Sales/Teslin Subdivision

Mr. Fleming: I have a question for the Minister of Municipal and Community Affairs. In the agreement for sale of land, I would like to give the Minister an example, the acreage subdivisions in Teslin. In those agreements it spells out pretty well everything that has to be done by the buyer and the seller. I am just wondering if the Minister could inform me as to what the buyer is actually receiving for his money, other than the land, when he buys those properties.

Hon. Mr. Lang: Mr. Speaker, he is paying for the services that are needed to put a subdivision into effect. For example, whether it be a road. I do not know the particular situation in Teslin because I have not seen that subdivision, but if telephones are involved or any of these other amenities that go to the subdivision.

Mr. Fleming: Supplementary, Mr. Speaker, that is as I see it also. However, the agreements are a little vague in this area and would the Minister consider that when you buy utilities that it would be up to the buyer of the land, after he had the property to pay the power company for transformers on the main line.

Hon. Mr. Lang: Mr. Speaker, the Member is going to have to clarify his question. I am not quite sure what he is getting at.

Mr. Fleming: Yes, Mr. Speaker, just a supplementary, would the Minister consider looking into these agreements to see that the persons buying the property actually know what they are paying for when they buy it?

Hon. Mr. Lang: Mr. Speaker, the individual is getting services and they are getting title to a piece of property. I think that I would be wasting his time and my time. I guess the answer would be no.

Question re: Special ARDA Applications

Mr. Penikett: Thank you, Mr. Speaker. I would like to direct another question to the Minister of Tourism and Economic Development and spell out the subject of the Special ARDA committee.

Since the chairman of the committee is, I understand, this Government's representative on that committee, could the Minister explain why that person was not notified of the Government's decision to vet Special ARDA applications at the time the decision was made?

Hon. Mr. Tracey: I did not quite get the context of that question, maybe the Member could restate it.

Mr. Penikett: I would be happy to, Mr. Speaker.

Since the Chairman of the Special ARDA Committee is, I understand, this Government's representative on that committee, could the Minister explain why this Government's representative, in that case, Mr. Dave Morrison, was not notified of the Government's decision to vet Special ARDA applications at the time the decision was made?

Hon. Mr. Tracey: Mr. Speaker, I would like to inform the Honourable Member across the floor that Dave Morrison is not the Chairman of the Special ARDA Committee. He is a member of the committee, the co-chairman is Mr. Doug Spray, who is my Deputy of Consumer and Corporate Affairs.

Mr. Penikett: Thank you, Mr. Speaker. The Minister, yesterday, told the House that he had advised the committee but now he is saying, in fact, that he advised an official of his own Department.

Can the Minister advise us then, when he informed the public members of the committee of the decision.

Hon. Mr. Tracey: Mr. Chairman, I did not say yesterday that I advised the committee. I said I advised the chairman of the committee and I qualified that today by saying that it was the co-chairman.

I would expect that the co-chairman would have advised the committee.

Mr. Penikett: I would like to ask a supplementary to this, Mr. Speaker.

Mr. Speaker: It is somewhat irregular, but I will permit one further supplementary on this question.

Mr. Penikett: Mr. Speaker, I would like to ask the Minister if he could explain the nature of the political oversight on these applications and to know what other political considerations may be taken into account other than the economic wisdom of the application from the point of view of the Government?

Hon. Mr. Tracey: Mr. Speaker, in the last few days in this House I have listened to the Honourable Member from across the floor tell us that we should give more money to this and more money to that and look after these people and those people. I would think that it would be very easy for the Member to realize that the political things that we are looking at would be putting some other business out of business or whatnot.

Question re: Standing Committee on Social Planning and Community Development

Mr. Byblow: I have a question for the Minister of Health and Human Resources.

Yesterday, in debate, the Minister outlined the existence of a Standing Committee on Social Planning and Community Development. Can the Minister tell me how many times this committee has met altogether, since its inception a year and a half ago, and possibly, indicate if there have been any specific recommendations to Executive Committee of this committee on social policy?

Hon. Mr. Njootli: Mr. Speaker, I do not have the minutes with me but they are available in Human Resources. The Director of Human Resources is the chairman of that particular committee. A follow-up of interest to the Honourable Member, I gave direction this morning for the committee to meet twice monthly until such time as they come up with a report. That report should be ready in May.

Mr. Byblow: Can the Minister indicate if this committee will have direct consultation with outlying communities?

Hon. Mr. Njootli: Mr. Speaker, the committee is made up of about ten deputy heads and they would meet among one another and I would assume that they would have field workers. For instance, teachers from the Department of Education would have input through the deputy head. My director would probably have input from the large amount of social workers throughout the Territory. Yes, I think that they would have input from the outlying areas.

Mr. Byblow: Can the Minister correct me if I am wrong when I assume he said the minutes of their meetings are available to me.

Hon. Mr. Njootli: I said that the minutes are available but I have not gone through the minutes to tell the Honourable Member how many times the Committee has met in the past. Obviously, I do not know because I was not here when the committee was formed but I will take that under advisement and advise the Honourable Member of the works of the committee in the past.

Question re: Spring Sitting of the Legislature

Mr. Fleming: Yes, Mr. Speaker, a question for the Government House Leader, does the Government House Leader intend to have a Spring Session this spring?

Hon. Mr. Pearson: Mr. Speaker, I am sorry, I cannot answer that question at this time.

Question re: Klondike Visitors' Association Licence

Hon. Mr. MacKay: I am sorry he cannot answer that question either.

My question is to the Minister of Tourism and Economic Development. My question is: has the Minister authorized the issue of a licence to the Klondike Visitors' Association for the coming year?

Hon. Mr. Tracey: No, Mr. Speaker, not at this time.

Hon. Mr. MacKay: Why not, Mr. Speaker.

Hon. Mr. Tracey: Mr. Speaker, I informed this House a few days ago that we were negotiating guidelines for the Klondike Visitors' Association and until that is completed no licence will be issued.

Hon. Mr. MacKay: If the KVA refuses to fold to the Government's pressure tactics, will the Government be prepared to take over the operation of Diamond Tooth Gertie's this summer?

Hon. Mr. Tracey: Mr. Speaker, that is a hypothetical question and I will not answer it.

Question re: Food Price Increases

Mr. Penikett: Mr. Speaker, I have a non-hypothetical question for the Minister of Consumer and Corporate Affairs.

Today, the Minister announced more shocking news about food price increases in Yukon. I would like to ask if his Government has any plans to stop this inflationary spiral in accord with its election promises?

Hon. Mr. Tracey: I do not know why the Honourable Member keeps dwelling on this. He has been told often enough that we do not have any control over food prices. We have no means of controlling it.

I have requested the Federal Government to investigate and that is the best that I can do.

Mr. Penikett: Mr. Speaker, I dwell on it because it is a problem.

I would like to ask the Minister a supplementary. Will this Government, in view of the latest news of increases, consider taking steps to reduce inflation in those areas under which it has direct control, namely rents and public utilities?

Hon. Mr. Tracey: No, Mr. Speaker.

Question re: Riverdale School

Hon. Mr. MacKay: Mr. Speaker, my question is to the Minister of Education.

I have reliable information that in November, 1974, the Executive Committee of the Territorial Government approved a decision to build a new school in Riverdale. Could the Minister explain why this decision was rescinded?

Mr. Speaker: There may be a problem with that question in as much as you are asking question of a decision made by a former government of the House.

However, I will permit the Minister to answer it if he so wishes.

Hon. Mr. Graham: No, Mr. Speaker.

Hon. Mr. MacKay: Perhaps, I could restate the question to ask him if he is prepared to investigate the circumstances and the reasons for that rescission.

Hon. Mr. Graham: Mr. Speaker, we are living in 1979; I hope that the Honourable Member opposite realizes that; we are speaking of conditions in the year 1979. Hopefully, we will plan for the year 1980 and the years that follow it.

I am not willing at this time to go back to 1974 and find out why we did not build a new school. Obviously, one was not built. Maybe it was, there has been a new school in Riverdale in the past few years. I am willing to look at the conditions that now exist, and the conditions that will exist some time in the future, and base decisions on the facts that I uncover at that time.

Hon. Mr. MacKay: Perhaps, I could suggest that the Minister consult with his present colleague, the Minister of Municipal and Community Affairs in this.

Mr. Speaker: Order, please, the Honourable Member is making a statement.

Question re: Plan of Action for Women

Mr. Penikett: Thank you, Mr. Speaker, I have a 1979 question for the Minister of Education. When will this government's Yukon Plan of Action for Women be ready for tabling in this House?

Hon. Mr. Graham: Mr. Speaker, I am not exactly sure when it will be ready. My officials in the Manpower Department and the Women's Bureau are currently working on such a plan of action and as soon as it is ready, I will present it to the House.

Mr. Penikett: Has the Minister reviewed the Paper entitled: "Suggestions for an Outline: Yukon Plan of Action for Women" drafted under the direction of one of his predecessors, the Minister of Education in the last House?

Hon. Mr. Graham: Yes, I have, Mr. Speaker, and we are using this document as a base for our present Yukon Plan of Action.

Question re: Tourism Promotion Trips

Mr. Byblow: I have a question for the Minister of Tourism about the recently announced California junket. Can the Minister say how many people in total are going on the trip whose expenses are absorbed by YTG?

Hon. Mr. Tracey: Yes, Mr. Speaker, one. Myself.

Mr. Byblow: Can the Minister tell me, if any, and if so, how many direct visitations have been made by YTG officials to California for the purposes of tourism promotion.

Hon. Mr. Tracey: No, I cannot do that, Mr. Speaker and I do not think I will bother. However, this is not a tourist promotion; it is an invitation by the World Level Tourism Associations and the Northwest Territories, Yukon, and Alberta are getting as a sovereign country in this area and that is the reason the Commissioner and I are going and we are very happy to go there.

Mr. Byblow: In light of the press release which indicates the visitation as part of a major promotion for Yukon and also in light of the recent Yukon Tourism Development Strategy Report tabled in this House last week, costing \$78,000, which states that California is not one of the areas recommended for pursuing tourism market, can the Minister indicate why there is a pursuit of the tourism market here?

Hon. Mr. Tracey: Mr. Speaker, I just finished telling the Honourable Member that this is not a tourism promotion that we are going down there for; it is a conference. However, there are very many tourists coming from California and we certainly are not going to drop our tourism market in California.

Mr. Speaker: There being no further questions, we will then proceed to the Order Paper.

ORDERS OF THE DAY

Mr. Speaker: Under Orders of the Day, may I have your further pleasure?

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

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

(Motion agreed to)

(Mr. Speaker leaves the Chair)

COMMITTEE OF THE WHOLE

Mr. Chairman: I shall call Committee of the Whole to order.

At this time we will have a short recess.

(Recess)

Mr. Deputy Chairman: I now call the Committee to Order.

Hon. Mr. Lang: I would just like to notify Committee that I have the lease agreement for McNiven Construction up on the Dempster Highway and I will distribute it to all Members.

Perhaps I should also comment, while I am on my feet, that there was a question in respect to the amount of money for project, Establishment 954 from Mr. Byblow. Last year, 1977, \$64,000 was spent and it was felt that for this coming year, \$100,000 was not unrealistic in view of some of the changes that were made in Central Purchasing and this kind of thing within the Government.

Mr. Deputy Chairman: The next item in the order of business is to return to the Northern Natural Gas Pipeline Agreement Ordinance. By prior agreement, at this time, we will revert to Clause 1 so there could be further general debate on the Bill.

Hon. Mr. Pearson: Mr. Chairman, during the previous debate there were a number of questions asked of us in respect to the Ordinance, or to the Bill, and about a week and a half ago I tabled in Committee a copy of Bill C-25 to each Member as well as the background information that we were able to get together in respect to the Northern Pipeline Agency. I am hopeful, Mr. Chairman, that this information will assist Committee in consideration of the Bill.

Hon. Mr. MacKay: I would like to thank the Government Leader for supplying the additional information with respect to this Bill. The issue which was raised in our previous debate, however, remains unresolved in my mind in spite of having that additional information. In fact, it even makes it clearer to me that this Assembly must take a stand, at this point, with respect to certain issues on the pipeline, rather than waiting until we have fulfilled the draft agreement that has been put before us or we have signed it.

By way of some background, though, I think that is worthwhile noting that the building of the pipeline will have a profound effect upon the Territory, both during the construction phase and for the twenty-five year estimated life of the pipeline.

There are really two distinct phases in this impact. The construction phase will be a time of unprecedented economic boom for the Territory, when the construction is underway. Businessmen, workers, contractors will all see the higher economic benefits.

These people will benefit and will need little or no help from this Government in order to do so. However, a large number of people will not benefit from this pipeline. In fact, they could have very detrimental effects thrust upon them by it. These people are generally people who would be on fixed incomes, people in rental accommodation, people working for government agencies, such as this government who are on fixed salaries, and also people who are accustomed to what we could call a rural lifestyle, which is an almost unique facet of Yukon life.

There are a lot of just plain folks who want to see things just stay the way they are and they are afraid of the massive changes that may occur.

The Government's role, I think, in the construction phase will be to try and mitigate the downside for these people whom I have described above. I think that there are many measures, I am sure there are many measure that are being planned now by this Government. In fact, the Government Leader has stated to us that the planning process is well underway. There are many measures which can be taken by this Government, but I submit that just about all of them will cost money, Mr. Chairman.

That is my major concern, on that part of the agreement, is that nowhere in the agreement is there any undertaking by the Federal Government to give Yukon money to offset the direct costs that they will incur to alleviate the problems that this pipeline will inflict.

Now, I do not want to mislead anybody. There is mention of it in the agreement. The agreement says that the Government of Canada will cooperate and consult with respect to the possibility of supplying these funds.

This we are told, is the best that we can do after months of negotiations. We have tried our best, we have sent our best man in there and he has negotiated very hard with the Federal Government and he has come back with a clause that says, and he is proud of it, I think, and he probably did well to get this far, that the Government of Canada will cooperate and consult with respect to whether Canada should assist the Territory in meeting direct costs.

Well, I think that man needed some help, I think that he needs some help now. I think that he needs some help from this Assembly to clearly state that the Yukon is not going to pay for all these costs. It is clear that the pipeline, if built, will be of a tremendous national benefit to Canada. The number of jobs that are available in the construction of this, both in the material side and the construction phase, are enormous. The benefits are huge but the impact, the adverse effects will be seen only in the Yukon and along the rest of the route.

I think that the Government of Canada has an obligation, a distinct obligation, to make sure that we, in the Yukon, do not suffer adversely from these effects.

We have been told, "Well, we are talking to the Government." In fact, we have been told even further. We are told by the Government Leader that unless we pass this Bill, unless we pass this Bill, we cannot talk any more to the Federal Government.

Well, I do not buy that at all. We have been talking to the Federal Government for months, for years, about this thing. Why, all of a sudden, can we not talk to them anymore, because we have not passed this agreement? I think that we are being subjected to a very heavy pressure play by the Federal Government. They are saying, "Complete the agreement, then we will talk." Well, if they want it that badly, then it means there is something in it for them and you do not have to look very far into it to see what there is for them.

What there is in it for them is the fact that the Territory is going to agree to the maximum level of taxation that may be levied with

this pipeline in accordance with the U.S./Canada Treaty. Now, it should be noted that the Territory has the right to levy property taxes. These are the kind of taxes we are talking about. We presently have that right.

We can amend our Taxation Ordinance. We could amend it for many things, but one of the things we could amend it for is to provide for the taxation of a pipeline of fifty-six inches. Now, the Government of Canada, by treaty, has to take that right away from us. Or at least, has to limit us as to what we can charge. So I understand the Government's position; it is perfectly clear. They have to get agreement with this Territory to put a limit on the maximum amount of property tax we can levy.

Well, the argument is going to be made in return. We do not have to have us sign this agreement because they have taken that right, not only in the treaty but also in the Bill. They have got that right, they can come in here and take away our right to tax right now. That is true; they can take away our right; they have that power. We are a junior government.

I submit that the political embarrassment that that would cause the Federal Government, the price of that political embarrassment would be very high. If ever they wanted to hand an argument to the people who demand provincial status, and which they are somewhat reluctant to give us, if ever they want to hand anybody an argument for provincial status, that is the argument, "We have taken away their rights."

So, I submit that if we do not agree to this agreement, they are going to have to come back to the bargaining table. They are going to have to admit that yes, we are a political force. Yes, the embarrassment of taking away our taxation right is going to be too heavy a price to pay for this. So I think that the Government and I think, they will have support of the opposition, I hope, should get back to the negotiating table now. In fact, I think that the time is right now because we have an election coming in the next two months and if ever the Federal Government is in a position to have some pressure put on them, I would say now is the time. I do not think we can accept the premise that unless we sign this agreement, we cannot talk to them.

My concern is not just for the direct cost of the construction phase. There is another concern and that is the long-term benefits. What are the long-term benefits to the Territory from this pipeline? Well, it may be, I think, 121 jobs directly, that are going to be a long-term benefit. Maybe that is all that we are going to get out of this in the long run. One hundred and twenty-one jobs maybe is not very much, not very much at all.

Okay, the next question is: Well, you are going to get \$30,000,000 taxation revenue out of it; that is pretty good for a little place. The total revenue raised right now is about \$50,000,000 so we get \$30,000,000. Pretty soon it will be \$80,000,000. Great, you are really going well, so we should sign an agreement just to make sure that we get that taxation revenue.

I think yesterday, we passed a Bill which enabled this Government to go to the Federal Government and get about \$50,000,000 worth of deficit grants, grants-in-lieu of income taxes, whatever you call it but about \$50,000,000. So, it is very simple, mathematically. All that happens is after the pipeline, assuming all other things being equal, we go to the Federal Government and say that our income is now not \$50,000,000, our income is now \$80,000,000 and our budget is \$130,000,000 or \$110,000,000, and they say, "Okay, we will give you a \$30,000,000 deficit grant."

The world goes around the same way for everybody in Ottawa I will tell you, when it comes to giving out money. So what will happen, very simply, unless we obtain some assurances now, is that any additional revenue from this pipeline will just be knocked off our deficit grant and we will be no further ahead than we are right now.

There will be no direct benefit from this pipeline.

I think that we have to all stand together on this issue. I think that we all got elected on the promise of maximizing the benefits of this pipeline for Yukon. There is no partisanship, I think, involved in this issue. We all feel the same way. Where we are going to differ, perhaps, is the way to set about achieving the goal.

I am totally convinced that the way to set about it is not to give away about the only bargaining card that we have before we start. That only bargaining card we have is that agreement.

We have been told by the Government Leader that he is not-- I do not want to say the words exactly, it seemed to me he said he does not know where the negotiations are at on the Heritage Fund right now. He said that in the House a day or two ago. Well, I suggest that now is the time that we should go after that Heritage Fund, right now.

I am prepared to offer some amendments to this Bill for that purpose, if only to give you some more bargaining cards, Mr. Honourable Government Leader, that you need.

We should not roll over and play dead on this issue. We have to stand up and be counted.

So, Mr. Chairman, I would like to move--

Mr. Deputy Chairman: Mr. MacKay, we are still engaged in general debate on the Bill. We cannot entertain any amendments. We will complete general debate before we have any amendments.

Hon. Mr. MacKay: Thank you, Mr. Chairman, I will be happy to bring back my amendments when general debate is through.

Mr. Deputy Chairman: Thank you.

Mr. Penikett: Mr. Chairman, I would just like to say a couple of things at this point. I have, I think, previously expressed my concerns in Committee, which, I must be frank, have more to do with the legal situation in which we find ourselves than the problems that may arise because of this proposed legislation.

I must, frankly, tell you that I am still not very clear in my own mind, yet, what difference the passage of this Bill will make to anything.

I thank the Government Leader for all the material that he has provided for us to enable us to deal with this measure and, in expressing my gratitude and to only wish that we would have had the months that would have been necessary to read and consume it all.

I know the Honourable Leader of the Opposition has referred at length to some of the problems of the cost that may have to be borne by this Government, particularly in the area of social impacts. I noted in the Bill C-25, the Federal legislation, Section 29.(1), the following: "Every certificate of public convenience and necessity declared to be issued by this Act to a company is subject to the condition that the company shall pay to the Receiver General an amount, determined in accordance with any regulations made under subsection 46.1(2) of the National Energy Board Act in respect of the costs incurred by the Agency and the Board."

I think, it is significant that here we have a case of the Federal Government protecting its own butt in terms of costs that they will have to incur in terms of regulation and so forth, by allowing for a charge to the company, but that is not a luxury that they extended to the government in this jurisdiction.

Again, I think that the Leader of the Opposition has spoken eloquently, as have others, about the limits placed on our taxing ability under this agreement.

I would like, again, to refer you to Bill C-25, clause 33 which says the following, "The board shall, in fixing the tolls and tariffs of a company by the requirements of the Agreement, in particular the requirements of paragraphs 4, 5, 6, 11 and 12 thereof, and shall include in its determination of an appropriate toll and tariff, any amounts, not exceeding the maximum amount set out in the Agreement, paid by the company on account of the Yukon road allowance and Yukon property tax."

That of course, refers to the infamous Canada/U.S. Agreement which, I think, I can say in all fairness, that was the poker game at which we lost, not only the Heritage Fund, but probably we have bargained away, because we are a very small jurisdiction, and a very few number of people and only one seat in the House of Commons, most of the protection that ought to have been accorded to the people in this jurisdiction.

In section 37, Clause 1 of the same Act, the Federal Government takes upon itself some other powers, which the Leader of the Opposition has referred to. It says, "Where the right to the beneficial use or the proceeds of lands in the Yukon Territory vested in Her Majesty in the right of Canada is appropriated to the Commissioner of that Territory and the Governor in Council is of the opinion that such lands are required temporarily or otherwise for the construction, maintenance, or operation of the pipeline including, without limiting the generality of the foregoing, lands required for camps, roads, and other related works, he may, by order, transfer the administration, management or control of such lands to the Minister."

I think that is an area of particular concern to the Government. I think that the Minister of Municipal and Community Affairs, from time to time, has waxed eloquent and at length about the desirability of Yukon gaining more control of the land in the Territory and aspirations to making the land use decisions in this Territory and here we have something which moves in the opposite direction.

Again, in the Canada/U.S. Agreement on this Northern Natural Gas Pipeline, there is a specific reference to the Transit Pipeline

Treaty and the provision which prevents Yukon from recovering costs that it may have to bear as a result of this construction activity.

It says in section 5 (a), "Both Governments reiterate their commitments as set forth in the Transit Pipeline Treaty with respect to non-discriminatory taxation, and take note of the statements issued by the Governments of the Provinces of British Columbia, Alberta and Saskatchewan attached hereto as Annex V, in which those Governments undertake to ensure adherence to the provisions of the Transit Pipeline Treaty with respect to non-interference with throughput and to non-discriminatory treatment with respect to taxes, fees or other monetary charges on either the Pipeline or throughput."

Then in part (b) it says, "With respect to the Yukon Property Tax imposed on or for the use of the Pipeline the following principles apply."

It goes on for some pages, in which they put that \$30,000,000 ceiling on us.

I think that we have probably articulated all our concerns about the legislation, and various people have bemoaned or expressed concerns on environmental grounds, the fact that the pipeline may prejudice the settlement of Land Claims, or the question about assurances of jobs and local hire and so forth, which I think, whatever agreements we have had, there has been a continuing concern by certain people in the community.

I guess that my uneasiness about the thing still is rooted in the problem of knowing exactly what this legislation does. The Government Leader has argued with us that this agreement is a necessary precondition for us being able to bargain with Ottawa for a better deal and for acceptable terms and conditions around the construction.

I, frankly, am unpersuaded of that and I am sure it is not for partisan reasons. I just have some uncertainty about it.

I am also aware, and I want to make this clear, that a lot of what we are dealing with here is something totally beyond our control. We have decisions made between Canada and the United States, decisions made in the Parliament of Canada, and we are certainly not in the position of the tail being able to wag the dog at all.

Nonetheless, I think that there is some force to the position put forward by the Leader of the Opposition that we ought to, in the strongest terms, make our fears, apprehensions and views known to the senior governments and even if, as I suspect will happen, because of the numerical situation of the parties in this House, this Bill may go through without amendment and without any changes. I would hope that the record of the debate in this case will be forwarded to those in authority, whoever they may be after May 22nd, in the vain and, perhaps, pathetic hope that someone will read it and pay attention.

Having been in Ottawa briefly, and been the recipient daily of several tons of paper, I have no great hope that anyone will pay attention to what we have to say and think and I believe, if for no other reason than that that some tactical amendment to a piece of legislation that is placed before us on a take-it-or-leave-it basis might be in order.

However, I would, and I say this with sincerity, ask the Government Leader to attempt again, if he can, to explain to me in a way that is a little more persuasive, how this advances our bargaining position. I am afraid that I do have difficulty, still, with that point.

I think that the point made by Mr. MacKay is a relevant one, that once we have signed this, the package is sealed, the deal is closed, the bargaining is over and we sort of take things as they come.

I would like to be persuaded otherwise, that this legislation will, in fact, allow us to take whatever steps are necessary in the interests of the people of the Territory, but I will just say, in closing, that I am not yet persuaded.

Hon. Mr. Pearson: Mr. Chairman, I appreciate very much the concerns expressed by both Members who have spoken previously and I wish to assure them that we, on this side, also share those same concerns.

Mr. Chairman, I am sorry if I imparted the suggestion that we "cannot talk" to the Federal Government any longer if we do not enter into this agreement. That is not the case.

What I wanted to get across was, if we do not have the agreement, then it is our understanding that we are in no position to; number one, be consulted on things that we feel it is imperative that we be consulted on in the future in respect to the pipeline and; number two, we do not have any bargaining authority that it is suggested that we may have in respect to the agreement if it is signed.

Now, Mr. Chairman, I am not absolutely certain what amendments the Honourable Leader of the Opposition might be contemplating but if they are amendments, Mr. Chairman, to the agreement, then we really are boxed because this is an agreement that has been negotiated with the Federal Government. Naturally, any amendments to it will require re-negotiation.

His major concern, and I would suggest it is everyone's major concern, seems to be in the area of taxation and other costs that might be recoverable and I would like to refer the Members specifically to Page 33, Mr. Chairman, of Bill C-25, which, in fact, has on it Section 5, Sub-section 9 of the Canada/U.S. Agreement, Schedule 1, and it says "It is understood that indirect socio-economic costs in the Yukon Territory will not be reflected in the cost of service to the United States shippers other than through Yukon Property Tax. It is further understood that no public authority will require creation of a special fund or funds in connection with construction of the Pipeline in the Yukon, financed in a manner which is reflected in the cost of services to U.S. shippers, other than through the Yukon Property Tax. 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 Governments of Canada or the Yukon Territory will have the right to take similar action."

Now, Mr. Chairman, it seems to be clear that Canada, being the dog, is telling us, who are the tail in this case, that we are going to get the \$30,000,000 and that is it and it is our understanding of this agreement that what it does, is give us a vehicle for negotiating with Canada what we are going to be able to do with that \$30,000,000.

The other things that the agreement does is, Canada is required to get our agreement, if they do not get our agreement then they are required to take over the concerns of Yukon citizens, in respect to the non-discriminatory clauses in the agreement and what this agreement does is say, that we agree with those non-discriminatory clauses. So, I do not know what else I can say to convince Members opposite that the primary reason for the agreement is to put us in a position to gain access to the property taxation that is provided for in the Canada/U.S. Agreement, and also, to put us in a position of at least being advised and consulted on matters in relation to the pipeline in the future.

Mr. Fleming: What the Government House Leader just said is very interesting. I was here when we got the first draft of this Pipeline Agreement and we went through it thoroughly, and at that time felt that, in some sense, the Yukon was going to be taken.

It did not look to me as if we were going to have much of a bargaining power. Now, I feel that possibly, with the passing of this Ordinance, if it does, and this agreement goes into effect, that we may even have less. I am just afraid that we are going to have absolutely none whatsoever, other than what was in the first agreement.

To my understanding, that agreement did not give Yukon very much. I would like to read you Section 6 here. "The Territory will co-operate and consult with Canada in respect of matters necessary to ensure that provisions..." - and do not forget the word "ensure" - "that the Transit Pipeline Treaty, the Northern Pipeline Agreement..." et certera, "are adhered to."

Once we sign this agreement we have sold ourselves down the river, accepting the main agreement as such and as such, in actuality it has the control of the Heritage Fund and what you will do with it and how you will take it and where you will use it.

As the Member of the Opposition has said, both Members, in the taxation area, it is all there, just exactly what is going to happen to us. I am wondering why we have to have this agreement at this time.

I would actually hope that the Government would hold this off awhile in light of the Federal Election coming forth. As usual, Yukon is stepping into something again and not knowing just what is going to happen or where we are going, I think. It is the same old story.

We do not really know what is going to happen. There is a possibility that we may get a more sympathetic government. We may not, it depends, but the Honourable Leader of the Opposition here, this morning, I prodded him to stand up and speak a little about what can happen in government, in the Liberal government.

I would feel that possibly, and as I asked this morning if we were going to have a Spring Session, which I feel that this Territory should have. There should be some legislation somewhere other than this Pipeline Agreement, anyway. That at that time, which I presume will probably be after the Federal election, that this would come forward. If we have to do it we have to do it, but at that

time I think that maybe we could bargain for some agreement a little better than this one, that is written up a little bit better, that gives us a little more right to say what we wish to do with what is actually going to be ours.

Yet, I can see in this agreement absolutely nothing. I see no forward step. I see a backward step. We are agreeing to something that they have already sold us a bill of goods on. They say that is yours, take it or leave it. Now they want us to sign an agreement to say, yes, we are happy with you. We like that.

We just continue to do this and I, for one, am not prepared to vote for it and I will not be, in this sense.

I am not going to elaborate on it. I was here when, as I say, the main agreement was here. We argued and we talked and we talked, we asked questions and I did not agree with many things in there then and I do not agree with them now and I do not agree with doing what we are doing today, if it goes through.

Mr. Byblow: Mr. Chairman, I do not suppose there is much that I could add to the concerns expressed this afternoon. Even the Government Leader expressed that he shared our concerns.

I think, perhaps, one concern that has not been raised and there is no avenue in this agreement for its consideration, is the whole area of pipeline-related costs. I think that there is a major concern, particularly from a lot of the outlying areas not on the pipeline route, that they will be suffering as a result of the pipeline. We have no mechanics or guarantee for consideration of this.

You know, let us face it, there will be a labour drain, families will remain in communities with workers going to the pipeline. The economic interests are going to have to hire new people, this taxes the whole infrastructure. It is a pipeline-related matter. We have no mechanics for it. For the record, that is a concern. I ask anyone to say, where in this agreement where we have addressed ourselves to this concern? I think, perhaps, I will leave it at that. I cannot support the Bill as it stands. I agree with the comments and statements and positions made. We are not acquiring anything and this is the prime time to withhold this consent.

Mr. Penikett: I would just like to make a brief comment in reply to the Government Leader who quoted from Section 5 of the Canada/U.S. Agreement on the Pipeline. I think that he made a pertinent point about the situation, the minor loop-hole, if Alaska feels a need to impose some kind of taxes to recover costs occurring as a result of social impacts, then Yukon may be able to do the same.

I think the basic problem, though, is that we were sold out in the Canada/U.S. Agreement. It seems to me; therefore, we have a claim against the people who sold us out, the Government of Canada. It seems to me that we ought to be arguing that claim as strongly and forcefully as we possibly can. Just so that Members do not think that I am just engaged in some kind of anti-American Pavlovian response, I would like to quote from a paper here about the Canada/U.S. Agreement. It says that the American objective throughout the negotiations was clear. They wanted an arrangement whereby Alaskan gas would be delivered reliably at minimum cost and delay to U.S. markets.

Their satisfaction with the Agreement is also clear as reflected in the following excerpt from a statement by the U.S. Secretary of Energy, James Schlesinger, made on September 23rd, 1977: "The agreement is particularly advantageous to the U.S. by providing ceilings on every aspect of potential U.S. liability while creating new incentives for efficient construction on a portion of the project that would normally be subject to exclusive Canadian jurisdiction."

Mr. Chairman, I would just like to point out something about those negotiations. As I understand them from Hansard of the House of Commons, the negotiations between Canada and the U.S. took something like a total of seventeen days. In the end, the president of the Privy Council, Mr. MacEachen and Mr. Schlesinger, acting as the economic advisor to the President of the United States, took over the final negotiations. These final negotiations, at which Yukon interests were sold down the river, lasted a total of seven hours.

Now, I can tell you that any trade union negotiator that settled a major agreement with any large company in seven hours would be fired by his members. MacEachen described the seven hours as exhausting negotiation. Someone suggested that his hair had turned grey during that period. I notice from television that it has recovered its normal dark colour. I do not know if it is from any cosmetic product or, perhaps, it is normal recovery that occurs during an election period.

I think that one of the most amusing things, and this was pointed out in Hansard, that the Americans were very quick to compliment the Canadians afterwards on what tough negotiators they had been. I think that it is quite true what the man says, that when a

Yankee trader tells you you have been a tough negotiator, you know you have been taken to the cleaners.

I think that the Government of Canada got taken to the cleaners and; unfortunately, we are the people who are really going to be cleaned. At least we have the potential, I think, to be totally bleached.

It seems to me, and just to repeat the point, that the people against whom we have a claim is the Government of Canada. They are the ones who sold us out and they are the ones that, whatever happens to this particular Bill, that we have to make our claim against.

I do not think that they can just cop out by saying that we have got an agreement with the United States, we passed the Bill in Canada. I think that we have to continue to make the most energetic and forceful representations on behalf of the people of this Territory that we possibly can, because it would not be fair, it would not be just, it would not be to the credit of this House to permit the people of this Territory, for years and years to come, to be suffering a tax burden to pay for the costs incurred during the pipeline period that resulted because of some lack of vigilance, lack of strength, lack of energy and commitment at this particular point in history.

Hon. Mr. MacKay: Perhaps I could, also, add a few comments before we get into specific clause by clause consideration with respect to the Government Leader's comments.

First of all, I think that I have some difficulty accepting the timeframe that we are looking at in passing this Bill. We are being told that we better pass it now because pretty soon the whole pipeline is going to come crashing down on our heads and we are going to start making decisions above us with no consultation. All these things are going to happen immediately. Well, let us bear in mind that the pipeline has been put off two years. Let us also bear in mind that if you talk to some Foothills' employees, they are not very sure what they are going to be doing come May or June because there is really not much happening for the next while. There is no point getting all cranked up now because the pipeline is not coming for two years later than we originally thought. So first of all, I have some difficulty in accepting the rush to put this thing through.

The other thing is that we know that this draft agreement, has been the subject of intense bargaining by the employees of this Government in the Pipeline Co-ordinating Office. We know that. The Government is not coming to us and saying, we made a terrific deal, you have to sign up before it goes away. They are saying, rather apologetically, well this is really the best we can do and we hope we will do better in the future because as soon as we get this signed, we can start to deal with it.

I have some difficulty accepting that posture because, I think, if we were bargaining hard on this agreement for the last six, eight months, that man that was bargaining had some public backing from the Members of this House before the election. They were very vocal about what they required and how they felt they had been sold down the river. He went there with that strength and he came back with this agreement.

I think that it is time that this House also clearly and unequivocally stated its concerns, gave the Government of Canada some more reason to think again on this agreement.

You know, that business of having Alaska, perhaps, providing us with some hope.

I do not think we, in the Yukon, should be relying on Alaska to provide us with some hope, I think that we have to rely on Ottawa to provide us with some hope. We cannot allow a foreign jurisdiction to determine whether or not we get any benefit out of this pipeline. That is beyond their control. We have to turn to Ottawa and say look, you negotiated the treaty, you put through Bill C-25, you have a responsibility therefore, to ensure that the Yukon benefits.

I might add that I agree with many of the things that my friend here on the left said with respect to the negotiations of the pipeline, Canada/U.S. Treaty. I do not think that Canada got as much out of it as they should have or could have. However, there is one thing that has changed in the interim and has made the Americans extremely unhappy, so unhappy, in fact, that they even want to re-negotiate some of the Pipeline Agreement and that is that the dollar has sunk to 85 cents and all of a sudden, all of the U.S. steel mills are uncompetitive versus the Canadian steel mills for the supplying of the pipe. So not only are we thinking of supplying the Canadian portion; we may indeed be supplying much of the American portion. So, by a stroke of fate, luck or planning, depending on how you view our people in Ottawa, we now are in a position where Canada may very well benefit to a great extent by this.

I think still though, that Yukon is not benefiting and there is nothing in the agreement that tells us that we are going to benefit.

So there is even more reason, if we accept the fact that Canada is going to do quite well out of this agreement, there is even more reason for the Yukon to assure that we do quite well.

I can only echo the sentiments of the Member from Whitehorse West when he said that we are talking about generations to come, now, and any lack of vigilance or strength or political will on our part, now, will have the effects later of some future generation looking back and saying, "It was March 29, 1979 that was the day that really blew it. That was the day they passed that thing and they could have, at that point, still negotiated more concessions".

Mr. Penikett: I wonder if I could just ask the Government Leader a specific question and it concerns the agreement that is just appended here that is not, for these purposes, part of the Bill.

That is on page 2, the third paragraph there, one of the clauses in the preamble that would give me great concern if we signed it. I reads:

"AND WHEREAS the Territory concurs with the principles of the Transit Pipeline Agreement, and specifically intends not to take any discriminatory action towards such pipelines in respect of, inter alia, throughput, taxes, fees, or monetary charges that it would not make against a similar pipeline passing through its jurisdiction."

Now, I understand the reality of two international treaties that prohibit us from doing exactly what we very much might want to do if costs came along.

I have some problems though, in having us then, even though we have laws binding us, having us being asked to sign an agreement which says we like them, we agree with them, because we were never consulted as to whether we thought that was acceptable or not. I admit the Transit Pipeline Agreement preceded, I think, probably any notion that there would be a gas pipeline built here.

I would like to have the Government Leader's view as to whether he thinks it is absolutely necessary that such a clause be included in such a memorandum?

Hon. Mr. Pearson: Mr. Chairman, I do know that if any clause in this agreement is important to the Federal Government, I suspect it is this one. In fact I am sure it is this one.

They are very, very concerned that we do recognize the non-discriminatory sections of the Transit Pipeline Agreement.

Mr. Chairman, I am very anxious to hear what the amendments are. I do not want to imply to the House that our very being depends upon passing this Bill out of committee or through this House today. I am very anxious to see what the amendments are. I would like very much to have the opportunity to seriously consider those amendments, providing they are to the Bill. Once again, I must impress upon the Members opposite, amendments to the agreement do not mean very much at this stage. We are here discussing the Bill.

Mr. Chairman, it is true, I think that everybody in the Yukon feels very strongly that we were sold down the river in respect to the negotiations that went on with the Canada/U.S. Agreement.

However, we are in a position now of being told by the Northern Pipeline Agency that if we are not prepared to look after our own affairs by entering into this agreement, which will in turn allow us to sit down with some kind of credibility and negotiate further agreements, then the Northern Pipeline Agency will do it on our behalf, because they have, Mr. Chairman, the legislative authority to do so now.

If the suggestion is made by this House that we can take a chance on the Northern Pipeline Agency not taking that action precipitously, particularly in view of the fact that there is a federal election on, it might be something very worth considering, but it should also be recorded that when this Bill was tabled in the House, we did not know when, or even if, there would be a federal election.

Hon. Mr. Lang: One other point that I would like to make, Mr. Chairman, in view of the federal election and the obvious opportunity to change the government, I would suggest that there can be a certain amount of faith between the national government and the junior government, and competence from both sides.

Mr. Deputy Chairman: If there is no further general debate, we will carry on clause-by-clause, at which time I would suggest to the Leader of the Opposition that we would welcome his proposed amendments at any time that he feels that they are appropriate.

(Clause 1 agreed to)

(On Clause 2)

Hon. Mr. MacKay: Thank you, Mr. Chairman.

I am not sure what the last speaker said. I am sure it is something that I should have responded to in a partisan manner, but I will

read it in **Hansard** tomorrow.

Mr. Chairman, what my amendment proposes is to give some background on it before I actually read it to the members so that they can understand what I am attempting to do. Clause 2, as it stands now, refers to an agreement which the Commissioner may, on behalf of the Government of the Yukon Territory, enter into:

We have been given a memorandum of agreement in draft form, unsigned, thank goodness, which we are told is to be the agreement that will be authorized by this Ordinance. It is the underlying agreement that is the problem with this Bill. The Bill itself, we recognize as something that is necessary in order to be able to proceed. As I say, it is the terms of the agreement that are giving us the problem today.

The purpose of my amendment will be to get this agreement to become part of the legislation, just as in a similar manner, Bill C-25 included the Canada/U.S. Tax Treaty as part of its content. So this would become part of the Bill. The provisions within that agreement can then be amended. My amendments to the agreement will be proposing, in essence, and I will read them now, that "Canada hereby agrees to pay the additional costs incurred by the Territory as a result of matters directly or indirectly related to the planning, construction, maintenance and operation of the pipeline including but not limited to: a) welfare and health costs; b) policing costs, including game protection; c) costs for construction of capital projects required to facilitate the pipeline; and, d) education costs."

In addition, another paragraph would be an attempt to set up a heritage trust fund, "Canada agrees that one-third of all taxes collected by the Territory under Section 8(1) may be immediately appropriated from the General Revenue Fund of the Territory to a Yukon Heritage Fund to be administered at the sole discretion of the Territory for the benefit of residents of the Territory."

These are the amendments that the Government Leader was asking me to elucidate, so to do that, I have to move an amendment to Clause 2, on page 1, by adding the following sub-clause, sub-clause 2(2) then, "that the agreement made pursuant to Sub-section (1) shall be the Memorandum of Agreement tabled with this Ordinance and this Memorandum of Agreement shall be appended to this Ordinance as Schedule A."

I will have copies made by the pages. I already gave Mr. Deputy Chairman a copy. The other amendments could only be discussed or reviewed if the first one was to be agreed to. Thank you.

Mr. Deputy Chairman: It has been moved by Mr. MacKay that Bill Number 9, Northern Natural Gas Pipeline Agreement Ordinance, be amended in Clause 2 of page 1, by adding the following Sub-clause, "(2) The agreement made pursuant to Sub-section (1) shall be the Memorandum of Agreement tabled with this Ordinance and this Memorandum of Agreement shall be appended to this Ordinance as Schedule A."

Hon. Mr. Pearson: Mr. Chairman, the Honourable Leader of the Opposition alluded to such an amendment last time we discussed this Bill in the House and I have done a considerable amount of checking into why we should or should not approve such an amendment, and it has been suggested to me, Mr. Chairman, by the people who normally draft the legislation in the Government, that this is a very undesirable thing to do from an administrative point of view, which does not carry all that much weight with me. It is also a very, very undesirable thing to do from a legislative point of view, which does concern me. It was suggested that if the agreement becomes part of the Bill, and then is renegotiated, and it is deemed to be an agreement that is beneficial to the Territory, and for one reason or another, has to be entered into, or should be entered into, immediately, it can not be done without the approval of this House. It would necessitate the calling of a Session of the House. It puts us in a very, very difficult position, and also sets a precedent, Mr. Chairman, that I do not think would be beneficial to the Territory.

Mr. Penikett: Could I just pursue that point with the Government Leader for a minute?

I fail to understand how appending this memorandum of agreement, which seems to be a fait accompli, and I am assuming there is not a word in here which is really negotiable beyond a certain point, would have any different effect than all the appendages to Bill C-25, for example, including the Canada-U.S. Agreement, the Trans Pipeline Agreement, and all the other things that they have in this fat book.

Hon. Mr. Pearson: Mr. Chairman, I believe that if this was followed up closely, you will find that those agreements were signed and that was simply ratification.

The enabling legislation for the signing of those agreements should be able to be found in another piece of legislation some-

where. In fact, this is what we are looking for.

If it is a request of this House that this agreement be tabled in the House after it is signed, that is something entirely different. If you wanted to ratify it by some kind of legislation at that time, that is something entirely different again.

The agreement has not been signed and it is still a negotiable thing.

Mr. Penikett: If I could just pursue the Government Leader on that point, because I think that it is a very important one.

Does the Government Leader honestly hold out any hope that there is a single word, line, paragraph, or clause in the preamble, or in the body, of this agreement, which we may hope to, have changed, amended or removed before the final agreement is signed?

Hon. Mr. Pearson: Mr. Chairman, I regret very much that Mr. Ferby is not able to be with us today. I think, he would be invaluable as a witness, because he has spent a considerable amount of time negotiating this agreement.

I am sorry I cannot say, but possibly Mr. Chairman is in a better position than I to say exactly how much time has been spent in getting this agreement together, but I do know that Mr. Ferby feels in his mind that this is the best that we can do in respect to this agreement.

Mr. Penikett: If I may, Mr. Chairman, just make one point on that subject.

The Government Leader will know, as well as I, that there are occasions when companies and unions go into negotiations, and the union representative at the bargaining table might well have felt, after many hours of negotiation, that he has done the best that he possibly could, and goes back to the members for ratification or for approval of the agreement that he has found, and the members say, no, it is not good enough, you go back there again.

Now, Mr. Ferby, with the best intentions and the best will in the world, may have done the best that he could, but I would suggest that that should not be too persuasive to us, because if this House, from the depth of its conviction, feels that that agreement is not entirely satisfactory, it seems to me, it is perfectly within our power to instruct our negotiator to go back to the table and say, you did okay last time, but it is not quite good enough and we want to push these issues further.

I asked the question about whether it could be amended for exactly that reason, because if this thing is, in fact, complete, down to the dotting of the "i's" and the crossing of the "t's," and we do not have any room to maneuver here, it seems to me that there are not very good reasons for appending it.

If, however, the Government Leader can hold out the possibility that there is the even smallest potential for some substantive amendments to this memorandum, then I would be persuaded that perhaps, it ought not to be appended to the Bill.

Hon. Mr. MacKay: I would like to make a couple of points, Mr. Chairman.

The Government Leader said that it would place us in a difficult position if we appended this agreement and there was a change, because it would mean that we would have to call a special session of this Legislature to deal with that.

That, I say, is not a difficult position, it is a desirable position for us to get into. I would say, it gives more force to the point that we are trying to make, is that by appending this agreement, by putting in some amendments, that, as Mr. Penikett has said, it gives us a bargaining position, saying that is it, that is our bargaining position, this is what we agree on.

By putting that in there we do require the negotiator to come back to the members of this particular union here and say, "I have done the best I can, will you accept this agreement?"

I might add, earlier, in the previous debate, and I would like perhaps to check Hansard on it, but I do recall distinctly being told that this agreement was it, period, full stop. That was going to be the agreement, with no amendment. So, I think we could perhaps clarify that.

I am wondering though, Mr. Chairman, since we are going on at some length about it, if it would be possible to have a brief recess, perhaps, to allow everybody to consider the amendments?

Mr. Deputy Chairman: Yes, Mr. MacKay, I think that is a reasonable suggestion unless Mr. Pearson has anything to add before we do recess.

Hon. Mr. Pearson: No, Mr. Chairman.

Mr. Deputy Chairman: The Chair will declare a brief recess.

(Recess)

Mr. Deputy Chairman: I now call Committee to order.

Mr. Hanson: I move Mr. Chairman, that we now report progress on Bill Number 9, Northern Natural Gas Pipeline Agreement Ordinance and beg leave to sit again.

(Motion agreed to)

Mr. Hanson: I move, Mr. Chairman, 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.

Dr. Hibberd: Mr. Speaker, Committee of the Whole has considered Bill Number 9, Northern Natural Gas Pipeline Agreement Ordinance and directed me to report progress on same and ask leave to sit again.

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

Some Members: Agreed.

Mr. Speaker: Your leave is so granted. May I have your further pleasure?

Hon. Mr. Pearson: Mr. Speaker, could we at this time request Assent to the Bills that have received third reading in the House.

Mr. Speaker: At this time we are prepared to receive the Administrator in his role as Lieutenant Governor to give Assent to certain Bills which have passed this House.

Mr. Administrator enters the Chambers announced by the Sergeant At-Arms

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

Mr. Clerk: Fifth Appropriation Ordinance, 1977-78, Second Appropriation Ordinance, 1978-79, First Appropriation Ordinance, 1979-80, Financial Agreement Ordinance, 1979, Loan Agreement Ordinance, (1979), No. 1, Municipal General Purposes Loan Ordinance, 1979, An Ordinance to Amend the Fuel Oil Tax Ordinance.

Mr. Administrator: I hereby give Assent to the Bills enumerated by the Clerk.

Mr. Speaker: Your further pleasure at this time.

Mr. Hanson: Mr. Speaker, I move, seconded by the Honourable Leader of the Opposition, that we do now call it 5:30 o'clock.

Mr. Speaker: It has been moved by the Honourable Member from Mayo, seconded by the Honourable Leader of the Opposition, that we do now call it 5:30.

(Motion agreed to)

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

(Adjourned)

The following Legislative Return was tabled on March 29, 1979:

79-2-11

School Counselling for Students

