



# The Yukon Legislative Assembly

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Number 17

3rd Session

24th Legislature

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## **HANSARD**

**Monday, April 21, 1980 — 1:30 p.m.**

Speaker: The Honourable Donald Taylor

# Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake  
DEPUTY SPEAKER — Geoffrey Lattin, MLA, Whitehorse North Centre

## CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government House Leader — responsible for Executive, Council office, Public Service Commission, Finance and Pipeline.
Hon. Doug Graham	Whitehorse Porter Creek West	Minister responsible for Education, Justice, Consumer & Corporate Affairs, Information Resources, Government Services
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Highways and Public Works, Municipal and Community Affairs, Yukon Housing Corporation, and Yukon Liquor Corporation.
Hon. Meg McCall	Klondike	Minister responsible for Health and Human Resources and Workers' Compensation Board.
Hon. Peter Hanson	Mayo	Minister responsible for Renewable Resources, Tourism & Economic Development.

## Government Members

### (Progressive Conservative)

Al Falle	Hootalinqua
Jack Hibberd	Whitehorse South Centre
Geoffrey Lattin	Whitehorse North Centre
Grafton Njootli	Old Crow
Donald Taylor	Watson Lake
Howard Tracey	Tatchun

## Opposition Members

### (Liberal)

Iain MacKay	Whitehorse Riverdale South
Alice P. McGuire	Kluane

### (New Democratic Party)

Tony Penikett	Whitehorse West
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### (Independent)

Maurice J. Byblow	Faro
Robert Fleming	Campbell

Clerk Of Assembly  
Clerk Assistant (Legislative)  
Clerk Assistant (Administrative)  
Sergeant-at-Arms  
Editor of Hansard

Patrick L. Michael  
Missy Parnell  
Jané Steele  
G.I. Cameron  
Lois Cameron

**Whitehorse, Yukon****Monday, April 21, 1980 — 1:30 p.m.**

**Mr. Speaker:** I will now call the House to Order. We will proceed with Prayers.

Prayers

**Mr. Speaker:** We will proceed at this time with the Order Paper. Are there any Returns or Documents for tabling?

**TABLING OF DOCUMENTS**

**Hon. Mr. Lang:** Mr. Speaker, I have for tabling a White Paper on Recreational Cottage Lot Management Policies.

Mr. Speaker, I also have for tabling the answer to a question from the Honourable Member for Whitehorse West concerning block land transfers for recreational lot subdivisions.

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

Petitions?

Reading or Receiving of Petitions?

Introduction of Bills?

**BILLS: INTRODUCTION AND FIRST READING**

**Hon. Mr. Lang:** Mr. Speaker, I move, seconded by the Honourable Minister of Education, that a Bill entitled An Ordinance to Amend the Community Assistance Ordinance be now introduced and read a first time.

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

Motion agreed to.

Are there any further Bills for Introduction?

Notices of Motion for the Production of Papers?

Notices of Motion?

**NOTICE OF MOTION**

**Hon. Mr. Pearson:** Mr. Speaker, I would like to give Notice of Motion today, moved by myself, seconded by the Honourable Member for Hootalinqua, that this House recommends to Minister of Indian Affairs and Northern Development, the appointment of the following persons to the Yukon Territorial Water Board for a three year term: Mr. John Scott, Mr. Terry Boylan, Mr. Keith Byram, Mr. Neil Olsen, Mr. Mike Stutter and further recommends that Mr. John Scott be appointed as chairman for the period of one year.

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

Statements by Ministers?

This then brings us to the Question Period.

**QUESTION PERIOD**

**Question re: YTG Publication/All About Yukon**

**Mr. MacKay:** Mr. Speaker, I have a question for the Government Leader. Today Mr. Speaker, I received a copy of a letter from the CYI to the Government Leader in which they describe as most offensive the publication of the Yukon Government entitled, All About Yukon, as it contains no copy or photographs about Indian people. Can the Government Leader advise the House with any explanation for this unbelievable omission?

**Hon. Mr. Pearson:** Mr. Speaker, I, too, received that letter this morning. Mr. Speaker, I will be reacting to it in as positive manner as I possibly can and as quickly as I possibly can.

**Mr. MacKay:** Will the Government Leader be able to state now or in his reply whether this kind of publication is a design by outside consultants or whether his Tourist Department, in fact, designs these things?

**Hon. Mr. Pearson:** Mr. Speaker, I am not absolutely certain, but I do believe that that was designed by our Department, but I am not absolutely sure of that.

**Question re: Moratorium on Taxation of Benefits**

**Mr. Penikett:** Now that the Leader of the Opposition has taken my first line of questioning, I will pursue another area.

To the Government Leader, I wonder if he has yet had a chance to

examine the document brought to his attention last Thursday, which suggests that Whitehorse Copper Mine has not yet been advised of the moratorium on taxation of transportation benefits announced by the Federal Government?

**Hon. Mr. Pearson:** Yes, Mr. Speaker, I have had an opportunity to examine it. I appreciate very much being given that opportunity.

Mr. Speaker, the inquiries that I have made indicate that the Government of Canada, the Federal Government, collects taxes on our behalf. This is a Collection Agreement, similar, or, exactly the same as the one that they have with all of the provinces and the Northwest Territories, save and excluding, Quebec, who collect their own taxes. They, Mr. Speaker, are the administrators of the Income Tax Act, and albeit we have an agreement with them in respect to Yukon taxes, they do the collection. Anything in this matter is going to have to be referred to the Federal Government.

Mr. Speaker, I am also aware that the Federal Government, when they made the announcement that there was going to be a moratorium put back on these taxes, did indicate that certain companies who had received notification were going to have to pay the tax for 1978.

**Mr. Penikett:** Given the firm resolution and the, I believe, unanimous resolution of this House to oppose this back-taxing of these previously non-taxable benefits, and given that there seems to have been some discrimination in the application of the previous policy, whereas it did not apply to Federal Government employees but it did apply to some private employers, can the Government Leader say or tell the House if he has contemplated or plans any immediate direct communication with the Federal Government to express our concern about this matter?

**Hon. Mr. Pearson:** Mr. Speaker, we have already communicated with the Federal Government, expressing our concern as we were instructed to do by Motion of this House. There is little doubt, Mr. Speaker, that the Government of Canada knows exactly where we stand on this. We did bring up the point of discrimination as well.

**Mr. Penikett:** I am concerned, Mr. Speaker, that my constituents may have fear that they have received one piece of advice from the media and another from the Department of Taxation. Can the Government Leader tell us if he has ascertained, either from this employer or the Regional Taxation Office, if we may have confusion existing here because one group of people may have filed their taxes on the basis of there being a moratorium in place and another group of employees of the same company filed their taxation on the basis of a different assumption?

**Hon. Mr. Pearson:** Mr. Speaker, about the only word that we could get on the matter was that any employees that do have doubts should contact Revenue Canada, the Regional Taxation Office, and determine just what the status is now. I must reiterate, Mr. Speaker, I do recall that they stated emphatically that those companies who had received that notification were going to have to pay the taxes this year.

**Question Re: Cyprus Anvil/Taxation of**

**Mr. Byblow:** I also have a question for the Government Leader on the subject of taxation. In an effort to clarify several different appraisals that have been made recently regarding the amount accruing to this Government from the direct taxations surrounding the Cyprus Anvil operation, could the Government Leader, just to set the record straight, tell the House, within reasonable accuracy, what the Corporate Income Tax accrual to this Government is from last year's operation?

**Hon. Mr. Pearson:** Mr. Speaker, I cannot tell the House with any degree of accuracy because, of course, returns have not yet been filed. Mr. Speaker, as a rule of thumb, Cyprus Anvil have published their Annual Report for 1979. It indicates, Mr. Speaker, a gross profit before taxes, of \$64,830,000. Our corporate tax that will accrue to this Government as a result of that is, in round numbers, ten per cent. So, Mr. Speaker, if that figure, the \$64,830,000, is accurate and right to the penny, then we can expect to get \$6,480,000 in corporate tax from Cyprus Anvil for last year.

**Mr. Byblow:** I would simply ask the Government Leader if this money, in terms of its accrual, is generated into the general operating account of the Government.

**Hon. Mr. Pearson:** Yes, Mr. Speaker, as is all taxation money that comes to this Government.

**Question re: Daylight Saving Time**

**Mr. Fleming:** Mr. Speaker, I have a question for the Government Leader. Some time ago there was a press release that stated the Government was going to change the time of the Yukon Territory. Does the Government intend to go ahead with this change on schedule?

**Hon. Mr. Pearson:** Yes, Mr. Speaker, the Order was signed in about mid-December by the Administrator and time will change

this coming Sunday, I believe, at 2:00 a.m. in the morning.

**Mr. Fleming:** Is the Government Leader aware that this same move was raised a few years ago and at that time the majority of the people were against this move?

**Hon. Mr. Pearson:** Mr. Speaker, if the Honourable Member will recall, I tabled the paper at the last Session of this Legislature that made it clear what our intentions were going to be, unless there was some reaction from someone.

Now, Mr. Speaker, the Paper did not cause any reaction whatever.

**Mr. Fleming:** Yes, final supplementary, Mr. Speaker: I realize that the Honourable Leader of the Government has tabled a paper, however, I find that papers sometimes never seem to really get to the public in any way.

Other than tabling that paper, did the Government take any check to see if, maybe, the majority of the people were still against the time change and if maybe it was not done just for a selected few?

**Hon. Mr. Pearson:** Mr. Speaker, certainly the people that I talked to, as an MLA, were very much in favour of a time change.

Now, I also talked to people that are very much opposed to it, but, in my view, Mr. Speaker, there were more than a majority of the people who were very much in favour of the time change.

**Question re: Skagway Road Opening**

**Mr. MacKay:** I have a question for the Minister of Public Works, Mr. Speaker, with respect to the opening of the Skagway Road.

Can the Minister confirm the media report that the Skagway Road will be open soon for truck traffic to replace the railway temporarily?

**Hon. Mr. Lang:** Mr. Speaker, there have been some various discussions with the Government of Alaska and the White Pass Corporation, in respect to the utilization of that particular road. No final decision has been made. I expect to be making a statement on this matter within the forthcoming week.

**Mr. MacKay:** In the course of the examination of the problem, will the Minister be considering the safety aspects of heavily loaded trucks going down into Skagway on the present road?

**Hon. Mr. Lang:** Mr. Speaker, that is obviously one of the major variables in respect to utilizing that particular highway, safety as well as the maintenance of the highway.

**Mr. MacKay:** With respect to the opening of the Skagway Road, can the Minister confirm if the negotiations between the Carcross Indian Band and the Federal Government are completed, so that there will be no repeat of the incident last year?

**Hon. Mr. Lang:** Mr. Speaker, that is a question that probably should be put to the Government Leader.

**Hon. Mr. Pearson:** Mr. Speaker, these negotiations have been going on between the Federal Government and the Carcross Indian Band.

Mr. Speaker, an emissary, if you wish, from this Government and from the Department of Indian Affairs are in Carcross at this very moment discussing this very important matter with them.

**Question Re: Kluane Park Game Sanctuary**

**Mr. Penikett:** Mr. Speaker, on the question of negotiations, I wonder if I could ask either the Government Leader or the Minister responsible for Renewable Resources if he could report on conclusions or otherwise that the negotiations with the Kluane Tribal Band Council concerning the Game Sanctuary.

**Hon. Mr. Hanson:** Mr. Speaker, the negotiations are still going on at this time.

**Question Re: Crown Land/Yukon Act**

**Mrs. McGuire:** Mr. Speaker, I have a question for the Government Leader. Could the Government Leader give us this Government's interpretation of the words "unoccupied Crown land" as set out in Section 70(3) of the Yukon Act.

**Mr. Speaker:** Order, Please. I think I would have to rule that question out of order as, apparently, it would appear to the Chair that the question seeks a legal opinion which is not within the rules of the Question Period.

**Mrs. McGuire:** Mr. Speaker, in the Yukon Act, the words "unoccupied Crown land" are used in several sections. Surely this Government has an interpretation of that? I would like the Government Leader to answer that question please.

**Mr. Speaker:** I am afraid I must disallow the question as the rules very clearly provide that a question must not ask for a legal opinion and it would appear to the Chair that the question does ask for a legal opinion. Are there any further questions?

**Question Re: Education/Contracts**

**Mr. MacKay:** Mr. Speaker, I have a question for the Minister of Education. Last Wednesday, I asked the Minister of Education if he could confirm whether school yard maintenance contracts were given out by invitation only. Perhaps he has had the opportunity to have the answer for me now.

**Hon. Mr. Graham:** Mr. Speaker, I inquired as to the circumstances surrounding the contract in question and it is my understanding that the contract in question was sent out by invitation to established landscaping businesses in the Whitehorse area. It is not the normal practice of the Department and we are in the process of reviewing that specific contract.

**Mr. MacKay:** I thank the Minister for his answer. I also asked at the same time with respect to the extension of the time given for replies to the school bus contract. Perhaps the Minister can answer that now too.

**Hon. Mr. Graham:** The extension of the school bus contract was advertised in Yukon newspapers. In the first instance, the decision was made within the Department to advertise in only specific newspapers outside of the Territory because it was their opinion that there was no one in the Territory capable of undertaking such a large contract. Consequently, they did advertise in several outside newspapers.

The opportunity was given by letter, I believe, to several Yukon groups after it came to their attention that there could be organizations in the Territory which were interested in this contract, therefore there was also a two week extension period granted to applicants from the Territory.

**Mr. MacKay:** Can the Minister confirm if there are any other types of contracts which have been deemed not to be fulfillable by Yukon contractors, or is this a unique example?

**Hon. Mr. Graham:** Mr. Speaker, these are the only two examples that I know of. We are in the process of reviewing that practice and I can assure the Honourable Member Opposite, it is not the intention of the Department of Education to discriminate in any way. In the future we will be advertising contracts equally in the Territory and without.

**Question re: Education/Student Pass and Failure Rates**

**Mr. Penikett:** Mr. Speaker, I, too, have a question for the Minister of Education. Could the Minister tell the House if his Department, by policy, sets either maximum or minimum percentage pass or failure rates for students for any courses in the school system in the Territory?

**Hon. Mr. Graham:** It is very difficult to divide students into those that pass and those that fail. There are some instances that I know of where a student may be asked to continue on at a higher grade level in a different course. It is my opinion that we do not set specific numbers that enable a student to continue or to fail. It is a question that I do not have the facts at hand with which to answer.

**Mr. Penikett:** I thought the Minister was going to take me on a delightful circuit with that answer.

Let me ask the Minister, since the schools, as I understand, still award passing and failing grades, if the Department, by policy, establishes maximum or minimum numbers, percentages of students, who pass or fail each course, if there are any guidelines or criteria for teachers or principals in that regard?

**Hon. Mr. Graham:** I will take that question under advisement, Mr. Speaker.

**Question re: Senior Citizen Care**

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

Last year, in the course of a Private Member's Motion debate, respecting services provided to the elderly in Yukon, the Honourable Minister at the time spoke of the desperate need for help to the many older residents in Dawson City.

I would ask the Minister, now that she is in charge of two portfolios concerning the problem of the aging, have any problems been implemented to provide increased home care for the elderly residents of Dawson City or are any planned?

**Hon. Mrs. McCall:** Yes, Mr. Speaker.

**Mr. Byblow:** Could the Minister indicate specifically what programming is planned?

**Hon. Mrs. McCall:** Mr. Speaker, some are in progress already. For instance, any citizens considered as senior citizens, can come and have lunch at McDonald Lodge and be transported there, for one thing. There are other things in the plans.

**Mr. Byblow:** In the course of the Department review of social services to Yukon, will the question of the aged be also examined in terms of programming?

**Hon. Mrs. McCall:** Very definitely, Mr. Speaker.

**Question re: Workers' Compensation**

**Mr. Fleming:** Mr. Speaker, a question to the Minister of Health and Human Resources, in the area of compensation.

Is the Minister contemplating bringing forth any legislation or amendments to the Ordinance, or tabling any papers pertaining to what might happen on this in the near future?

**Hon. Mrs. McCall:** Not during this Session, Mr. Speaker.

**Mr. Fleming:** Supplementary, then, in the next Session, possibly?

**Hon. Mrs. McCall:** Very hopefully, Mr. Speaker.

**Mr. Speaker:** As it appears there are no further questions, we will proceed to the Order Paper, under Orders of the Day, Government Bills and Orders.

## ORDERS OF THE DAY

### GOVERNMENT BILLS AND ORDERS

**Hon. Mr. Lang:** Mr. Speaker, I would request unanimous consent to waive Standing Order 55(2) to give Bill Number 37 second reading today.

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

**Some Members:** Agreed.

**Bill Number 37: Second Reading**

**Hon. Mr. Lang:** Mr. Speaker, I move, seconded by the Honourable Minister of Education, that Bill Number 37, An Ordinance to Amend the Community Assistance Ordinance be now read a second time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Municipal Affairs, seconded by the Honourable Minister of Education, that Bill Number 37 be now read a second time.

**Hon. Mr. Lang:** Mr. Speaker, I would just like to give the Members the background in respect to the situation as it exists today. A number of years ago, in a number of our communities, namely, Teslin, Carmacks, Watson Lake, and Haines Junction, water and sewer installations were put in the various communities.

The arrangements, at that time, under the Community Assistance Ordinance was that they would pay two mills of that assessment at that time over a certain period of time to help pay for the capital installation of that particular local improvement charge. You will recall, during the course of the last Legislature, we revised our method of assessment and subsequently what took place is that we had an increase in assessment which dictated that our mill rate, which is now percentage, would be much lower than it was in previous years.

Along with that, in the present Legislation, in the Community Assistance Ordinance, it calls for two mills, or the equivalent of two mills, to be levied in respect to those local improvement charges. For an example, with the two mill levy, if we were to not amend the Community Assistance Ordinance, the new assessment in Haines Junction would raise approximately \$21,000 this year as opposed to \$2,800 last year.

Under the special levy requirement through these four communities we, over the course of each year, have raised approximately \$16,000. What you have before you is a Bill which brings down percentage terms to allow us to collect, in the neighbourhood of the same amount of money that was levied the previous year.

I would like to thank Members, Mr. Speaker, for waiving standing orders. I should point out that it was brought to my attention a number of months ago. It was my understanding that this particular situation could have been taken care of administratively. As we found out later, we have to amend the Legislation in order to have it clarified and subsequently that is why you see the amendment before you today.

**Mr. Penikett:** I am certainly pleased that the Minister made this explanation on second reading, because we had all certainly been lead to believe by him, during the debate on the Taxation Ordinance last year, that he was violently opposed to midnight amendments. I am sure that the House would have been quite frightened at the prospect of having to deal with one at this time, so close to the end of the Session, and such a small matter. I am sure we all felt, at the time, dealing with the Taxation Ordinance, that we had done a very good job and the Minister was fulsome in his praise of the draftsmen of the legislation and very reassuring in that it was as close to being as perfect a piece of legislation as had ever been drafted by this Government.

However, now that we have seen the Bill and heard the explanations, Mr. Speaker, I have no serious objections to it. I did wonder,

when I heard rumours around the building this morning that we were going to have a bill to lower the taxes in Haines Junction, which was what I had originally heard, that perhaps there was going to be some kind of fairly heavy courtship of the Member for Kluane by the Government side of the House. That is clearly not what is contemplated and, therefore, I have no qualms whatsoever in supporting this legislation.

Thank you, Mr. Speaker.

Motion agreed to

**Mr. Clerk:** Third reading, Bill Number 17, standing in the name of the Honourable Mr. Graham.

**Bill Number 17: Third Reading**

**Hon. Mr. Graham:** Mr. Speaker, I move, seconded by the Honourable Member for Tatchun, that Bill Number 17, An Ordinance to Amend the Transport Public Utilities Ordinance, be now read a third time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Tatchun, that Bill Number 17 be now read a third time.

Motion agreed to

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

**Hon. Mr. Graham:** Yes, Mr. Speaker. I move, seconded by the Honourable Member for Tatchun, that Bill Number 17 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Tatchun, that Bill Number 17 do now pass and that the title be as on the Order Paper.

Motion agreed to

**Mr. Speaker:** I shall declare that Bill Number 17 has passed this House.

May I have your further pleasure?

**Hon. Mr. Graham:** Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, 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 Minister of Education, seconded by the Member for Hootalinqua, 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 the Committee of the Whole to order. At this time we will have a short recess.

Recess

**Mr. Chairman:** I will call Committee of the Whole to order. This afternoon the first Bill that we will be considering is Bill Number 37, An Ordinance to Amend the Community Assistance Ordinance.

On Clause 1

**Hon. Mr. Lang:** Mr. Chairman, in speaking to the principle of the Bill, I forgot that there were five communities, not four communities, involved in this. The fifth community is the Community of Mayo which this would apply to as well.

The total amount of money that would accrue to the Government, with the local improvement charges if we did not make any changes, would be in the vicinity of \$73,000 with the five communities. With this amendment, we will have approximately the same as last year which was in the neighbourhood of \$16,000 prorated throughout the various communities and depending on the number of dwellings that have been built, et cetera. This is specifically why this legislation is before you.

**Mr. Fleming:** Mr. Chairman, I have just a general question in that area to the Minister. The expression here "2 one-hundredths of 1 per cent", that is approximately one-quarter of one mill. That was my only question I just kind of wondered about that, if that was the figure, close.

**Hon. Mr. Lang:** Mr. Chairman, I would say the question should be answered by the accountant across the way here. I gather, if I interpret correctly, I would say you are probably correct.

**Mr. Fleming:** My problem was, because of the fact that the assessment is being raised four times, if you are going to collect the same amount of monies and not more monies that this would be, in that sense, a quarter. If it was over that, of course, the Government would be collecting a little more money than they were before. One mill, I realize they are going to be collecting four times as much as

they were before actually, so that was question in asking that. I would have to have somebody— If the Honourable Member does know the figure I would appreciate hearing it.

**Mr. MacKay:** Well I have a question, too.

My interpretation is that it looks about one-fifth of a mill.

My question, the Minister, in his second reading, was talking constantly about two mills and I see that this Bill is changing from one mill to that.

**Hon. Mr. Lang:** Mr. Chairman, the present Community Assistance Ordinance, 33 applies to water, which is one mill, 34 applies to sewer, which is one mill. So, in some communities you have water in sewer so it would apply to two mills, and in, I think it is Carmacks, I think you strictly have the sewer, so it is one mill that it would apply to.

**Mrs. McGuire:** Well, I certainly agree with this Bill. I was just thinking perhaps that the Minister could give some thought to lowering the land assessment values on residents and businesses around, for instance, Haines Junction. I mean, we do not mind supporting Teslin, but the whole of the Yukon, we start to draw the line.

**Hon. Mr. Lang:** Mr. Chairman, that relates back to legislation that was passed last fall, in respect to the mill rate or percentage that is being levied now.

I think one aspect that is very important and has to be stressed is with our municipal review. We intend to be giving some authority to the various communities, in that particular area, and the people within the community can decide just exactly what they want to do in respect to accruing some of their own revenue, as opposed to the Territorial Government totally responsible for the levying of territorial taxes, other than for municipalities.

**Mr. Chairman:** Is there any further general discussion?

We are discussing Bill Number 37, Clause 1. Is there any further general discussion?

**Some Members:** Clear.

**Mr. Chairman:** In the absence of any further general discussion, we will go to clause-by-clause discussion.

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Preamble

Preamble agreed to

On Title

Title agreed to

**Mr. Chairman:** I now declare that Bill Number 37, An Ordinance to Amend the Community Assistance Ordinance, has cleared the Committee of the Whole.

**Hon. Mr. Lang:** Mr. Chairman, I would move that you report Bill Number 37 without amendment.

**Mr. Chairman:** It has been moved by Mr. Lang that I report Bill Number 37 without amendment.

Motion agreed to

**Mr. Chairman:** I now ask you to turn to Bill Number 32, Business Development Assistance Ordinance. I have before me a request for a witness this afternoon, the witness being Mr. Peter Kent, Deputy Head of Tourism and Economic Development.

You have heard the request. Are you in agreement?

**Some Members:** Agreed.

**Mr. Chairman:** We will just wait until Mr. Kent gets in.

Welcome to Mr. Peter Kent, our witness this afternoon. It has been brought to the Chair's attention that Clause 7 was held over the other day.

On Clause 7

**Hon. Mr. Hanson:** Mr. Chairman, the problem was the other day with the Leader of the Opposition on this, Mr. MacKay, when the application gets to the Commissioner, which, in this day and age, is the Cabinet, it will have already gone by the Board. The Board will be the people that will declare to the person why he is not getting his application, why he has been turned down. They will tell him that in their interview with him, the only reason it would be turned down at the Commissioner's level is because of the lack of funds but presumably the Board will be telling him that at the time, anyway. So, I do not see any problem really with that 7(1) in that respect.

**Mr. MacKay:** My understanding of this Section 7(1) which, I think, is the Commissioner or the Cabinet is going to be responsible for informing the applicant he has been turned down. That is what it says. "Where an application is not approved, the Commissioner shall deliver to the applicant forthwith a notice that his application

has not been approved." If is not specifically put in there, you do not force the Board to state its reasons and I think it is very important that it should be forced to state the reasons to avoid the kinds of problems that occurred under the Small Business Loans Program. I do not know what difference it would make to the Government to have a Clause in there stating the reasons therefore.

**Hon. Mr. Hanson:** I feel so unstrong about it I will remove the paragraph.

**Mr. MacKay:** Could the Chairman interpret the last remark for me as to whether he is proposing to move an amendment to this Bill?

**Hon. Mr. Hanson:** I will have an amendment brought in to remove Section 7(1).

**Mr. MacKay:** While I appreciate the Minister's willingness to compromise and to be willing to go along with that, it is exactly the opposite to what I was trying to achieve. What I am trying to get is a stipulation where not only will the man be told his loan has not been approved, he will be told why it has not been approved, so that he may then have a clear understanding of where his application was insufficient or poorly done. Whatever the reason is, it should be so stated, I think, because without that you generate a lot of bad feelings.

**Hon. Mr. Hanson:** Mr. Chairman, I find difficulty with my friend again, but the Board will tell a person his application is turned down and the reason for it and if they think he should reapply, they will be telling him that. The Commissioner will not be telling him that.

Normally the only time the Commissioner would be turning down an application is if there were no funds and that is not the normal procedure. The Board will be saying that we have no funds and that is it. The Board will be doing the talking to the people who are submitting the applications, not the Commissioner. They will be telling them why it is being turned down.

**Mr. MacKay:** The interpretation of 7(1) by the Minister is: where it says "where the application is not approved"—not approved by whom? Maybe I should ask that question, "where the application is not approved" by the Commissioner or by the Board?

**Hon. Mr. Hanson:** By the Commissioner, which he would normally not be doing anyway because the Board will be turning him down and not the Commissioner. That is why I say the paragraph can be removed from there, it is not that important.

**Mr. Fleming:** I am getting a little more confused as I go along, however, I have a problem. Part of the problem is that the Commissioner is, in this circumstance, always the Commissioner, but he is merely a paper-signing person in any of these documents that are before us now. Sometimes we look at it as we did three or four years ago, the Commissioner was the person who was really the power. I think the Government is the power there so it should be either the Government or the Board and the Commissioner passes out the order, I realize.

The notice that his application has not been approved, and so forth, could be done by the Commissioner, but it definitely has to be done by this Government or the Board, because the Commissioner can only put the paper forth, that is all.

**Hon. Mr. Hanson:** Until things are changed, it will still be the Commissioner and remain legally the Commissioner.

**Mr. MacKay:** I would just like to explore Clause 7(2). Now, this is where the Board has approved it. Again, we are talking about the Commissioner approving it, not the Board. It is the same thing.

So, what these sections contemplate is having two turn-downs and two approvals, one approval by the Board and subsequently by the Commissioner, and one disapproval by the Board and subsequently by the Commissioner.

**Mr. Kent:** As I understand it, the intent is that the Board shall make recommendations to the Commissioner, but, generally, unless there is a shortage of funds, et cetera, the Commissioner shall more or less rubber stamp the applications.

**Mr. MacKay:** That was in the case of a loan being approved, could I ask the witness how he visualizes procedure with a loan being disapproved?

**Mr. Kent:** Applications that are rejected, or the Board recommends against, will also be advanced to the Commissioner, but the same thing, generally, unless there is an unusual circumstance, that would, again, be rubber stamped by the Commissioner.

**Mr. Fleming:** That is possibly very true, but it does not really say that. Further on in the Ordinance, where the Board's duties are, that any application that is made, all the particulars will be given to the Commissioner.

I realize that, all the applications, but it does not say anywhere that applications have been turned down, anything would go to the

Commissioner, other than if the application was to be turned down.

**Mr. Kent:** I am not sure that was a question.

**Mr. Chairman:** Rephrase your question, please.

**Mr. Fleming:** Under Section 7(1), all it says, "... the Commissioner shall deliver to the applicant forthwith a notice that his application has not been approved." Bingo, that is the end of the story. I am concerned that he should know why his application was not approved and it should be given to him in writing, why the Board turned him down, why the Commissioner turned him down, why somebody turned him down.

Now, in the Ordinance as you go into it farther, it states that the Board will, if an application comes to them, deliver, in writing, to the Commissioner, all the details of why the person wanted so much assistance. However, nowhere through the Ordinance that I can find yet is there a section that goes farther than 7(1) and says that also, at that same time, if it is turned down, that he would also be able to say why it was turned down.

**Mr. Kent:** For starters, in order to activate Section 7(1), the Commissioner would have to be informed of rejections and he would have to be knowledgeable about them or he could not inform them of such.

If this process works, the applicant is not going to send in an application and then he never hears from anybody until he gets a yes or no, there is going to be a period of discussion and negotiation and evaluation and asking questions and elaboration. I expect that most applications will actually be modified during the review and evaluation process so the applicant will be fully knowledgeable of the progress of his application through the system.

**Mr. MacKay:** I think it is a small point and it is not worth delaying Bill for, but just let me ask the Minister, so we have it on record, it will be his instructions to the Board when an application is turned down, reasons will be given for the turn-down.

**Hon. Mr. Hanson:** They most certainly will, Mr. Chairman, the Board will be informed that they have to give reasons.

Clause 7 agreed to

On Clause 8(1)

**Mr. Chairman:** I understand that on Clause 8(1) there was a problem.

**Mr. MacKay:** It was quite a complicated discussion that we had on Thursday which was the means being laid out here of disbursing the funds.

In paragraph (e), it seemed to—no, it did not. I am sorry, Mr. Chairman, I thought we had passed this section.

**Mr. Chairman:** Did we?

According to my Clerk here, we did not. So, if there is no more discussion, we will soon pass it, I assure you.

**Mr. Fleming:** Mr. Chairman, the section was held over, I am sure. I have got "held over" written on (5), I think. I am sure it was held over.

At that time, there was some discussion brought up as to why a grant was in there, somebody said it should be assistance. The Minister agreed to put "assistance".

Now, after going through the Bill a little bit more thoroughly, I find that possibly the word "grant" is, in a sense, a proper word there, because you have to go back farther on in the Ordinance before you find the area, and I think it is in 12(1), if I can mention that one section, that you do find that there is a possibility that the Commissioner, after the operation has been in effect for five years, and in the Ordinance it demands that then there will be a report from the applicant as to how the business went and how the business did not go.

If that business went, as we say, belly-up, you know, then the money will not be collected back or asked for to be returned. Of course, that, to me, would be, in the long run, a grant, even though it could not be returned because he did not have any money, but it would be a grant in that case.

What happens to the loan, other than that, I really am not going to say, because that is with the bankers. There would be a problem there, but nevertheless, that is the way it reads in the Ordinance. Therefore, that would be a grant.

If the business is viable and going along well, then there may—and as I say, again, it is may, be that the Commissioner may ask for all restitution or part of it. You find that in 4(4), too.

**Hon. Mr. Hanson:** The subsection under dispute here was (5) and since then I have had that cleared up to me.

In 8(5), it was the "three-quarters", that relates to projects rather than to interest. Interest would be made immediately. That was the problem on that one, at that time. That is where the debate

came under.

**Mr. Fleming:** That is not back where I was speaking on the other part, but on this section that was held over due to this "three-quarters of the amount specified in the approval..." The Minister says that is on projects, somewhere along the line I think somebody is confused. We are speaking about interest assistance in this Bill. I do not think we are speaking about loans in this Bill, if we are, it does not say anything about it very often anyway. Only under the area of studies and so forth it does say that there can be loans or grants or whatever but here we are speaking of assistance to pay the interest on the loan that you might have somewhere else. If that is not it, I am really confused.

**Hon. Mr. Hanson:** Mr. Speaker, in my original speech I said it was laid out in three different ways. The feasibility studies, the paying of interest on loans and thirdly, the cost of some projects for outlying areas where they have to put in sewer and water, we would pay some of the costs. As you get further into the Bill, you will see there are actually three parts to the program.

**Mr. MacKay:** I recall now, having turned the page, what the problem was, just to clarify that there is enough flexibility in the Bill to permit a monthly payment of an interest subsidy, for example under Sections 8(4) and (5). There is sufficient flexibility within that to administer on a monthly basis if necessary. Maybe the witness is more familiar with the technical aspects of how the program will be carried out.

**Mr. Kent:** In terms of the payment schedule, it is something where the program will be flexible and is something that meet the requirements of both of us. If someone is making an interest payment every week, I do not think we would be sympathetic administratively to go through the paper work of disbursing money every week. Once a month, it depends on his needs and what the inventory costs of holding that payment are but yes, it is flexible.

Clause 8 agreed to

**Mr. Chairman:** Last day we had passed Clause 9, we will continue on. I believe we were discussing Clause 10. Clause 10 is up for discussion now. I think probably we will do the subsections separately so we are considering Subsection I of Clause 10.

On Clause 10(1)

**Mr. MacKay:** Before we proceed, I think there are some areas that we were a little confused on, on Thursday. There is no prohibition about anybody getting money under this Ordinance who is not a resident of the Territory. That is clear, as long as the project is within the Territory, is that correct?

**Hon. Mr. Hanson:** Yes, Mr. Chairman, I answered that the other day.

Clause 10(1) agreed to

On Clause 10(2)

Clause 10(2) agreed to

On Clause 10(3)

**Mr. MacKay:** I am concerned about the rigidity of this Clause. Many businessmen in the Territory, particularly if they are getting into business for the first time, which this kind of Ordinance contemplates dealing with that kind of person, may not be familiar enough with the availability of this program until somebody draws it to their attention. It would seem that if they had started their project at all that (3) may wind up stopping them on a technicality from coming to the Board and I do not know if that is what is intended. Perhaps the Minister could tell me what is intended by this section.

**Mr. Kent:** The reason this Clause was put in here is, if a man decides to go ahead with an investment or a development and he commits himself, proceeds, then he finds out about this program, basically, he is just getting a windfall gain. Our money has served no purpose except to give the fellow windfall gain because on his own initiative, without the knowledge, he decides, as a businessman, he has made a business investment decision, he has gone ahead so it is viable from his perspective.

Now, if he runs around and gets a grant here, it just goes straight into his pocket and it is to prevent that. The objective of this Bill is to stimulate investment and employment. Under the circumstances you described, those funds would not stimulate any investment or employment. It was already committed.

**Mr. MacKay:** I can appreciate the witness' point of view. I am not sure that I agree with it, though.

I am just addressing the situation where often a project runs into trouble, midway through the project, and this is the kind of situation. I am not looking for somebody who is looking to put money in his pocket. I am looking for somebody who is trying to save his investment with any means that he can get a hold of. If they are building in a remote area, they may very well find that, "Well, gee,

I did qualify for a new septic system on this and that sure would help me finance the balance of the project, for which I have now run out of money."

What you are saying is, "That is just too bad." He missed the boat and he cannot come in.

**Hon. Mr. Hanson:** Yes, unfortunately he did not look into it before he started, really. However, possibly there are other ways he can get help and it would be a shame to turn down a project, but if a man is going into that kind of investment, I would imagine he would know what he is doing.

**Mr. MacKay:** I disagree with this section, then, because if a man is entitled to get assistance with—I am talking just now about the remote areas, because I can understand with a feasibility study you are not going to get this problem and intra-subsidy, the project is not dependent on. I am talking about a remote area now.

If this Government has a program to assist people, equalize their opportunity, then it seems to me it matters not whether he applies before, during or after for that thing. That is something that he is entitled to, as any other citizen is entitled to — if we pass this Ordinance.

**Hon. Mr. Hanson:** I cannot see where Mr. MacKay gets into this, that he is "entitled" to it. If a person is walking a tightrope, before he gets into business, then maybe, as you have told us in the House quite a few times, he should not be going into it.

I do not know. I think we could be handing out a windfall profit to somebody in advance. I think most people have been well aware, through Yukon, that we are going ahead with this program as soon as we have the money. They will have lots of time to decide whether they want in on it or not. I think if they decide that they get to next fall and they are just about ready to open, well, they should apply for the money that we have. I do not think it is fair to give it to them.

**Mr. MacKay:** There are two principles here. One is whether or not the Government will be aggressive enough to make sure that everybody in the Territory is aware of that. I do not know what plans you have for that but I hope to hear on that. Even assuming you do that, when you get to the section respecting equalization of opportunities, there is nothing in that section that I can see that says the only way the project will qualify for assistance is if the man can prove that he cannot do it without that grant, it does not say that. It just says that if he is doing that particular piece of work, regardless of whether he has a million bucks in his back pocket or not, he still will qualify for that special assistance. That is where I am getting hung up, the fellow who just thinks ahead of his time, is going to get a windfall profit as well if that is the way you want to describe it.

**Mr. Tracey:** Mr. Chairman, this brings a question to my mind and that is in regard to a potential businessman who invests a few thousand dollars to investigate a potential business and he finds that perhaps it would be viable, with this incentive loan from the Government, my question is: would the Government consider the money he has invested as part of his overall development, or would it just write-off the money that he has invested and just deal with the future money that he would be involved in?

**Mr. Kent:** No. It would be acknowledged that the man put money into the feasibility analysis, that that was part of his effort and part of his contribution to the project. On Mr. MacKay's question, I should refer him to Section 21(2) which specifies a number of the factors which will be considered in deciding whether assistance should be given or not.

**Mr. Chairman:** We are still discussing Clause 10(3).

**Mr. MacKay:** To get off the general to perhaps the specific instance of this, I appreciate the reference, one of which would indicate whether the project would go ahead or not without the application is probably this section would count with respect to somebody looking for a windfall gain ahead of time.

This section 10(3), it seems to me if a man has bought a piece of land which he is going to develop, having bought the land in the first place, will he not have disqualified himself right away from getting assistance because he has already paid some money into the project right away. If that is the case then how do you get away from the nebulous thing of people coming in and saying, "I am thinking about buying a piece of land." In other words, he has not any viable basis for making an application if he does not own the property in the first place. The interpretation of this section can have a very strong bearing on whether or not a man is going to get past first base on it.

**Mr. Kent:** I think the Board is going to be flexible in this matter. Their objective is not to use public money for windfall gains. Their objective is to create an investment and employment. So, I think they are going to be open on that, as long as the money is not used inappropriately.

I guess the second factor I can say is, generally, a man acquiring land does not necessarily prove that he is committed to an industrial or commercial development. So, it well may be that that particular land element may not qualify for assistance, but the rest of the project would, if it was demonstrated that that had not committed unequivocally to the project.

**Hon. Mr. Pearson:** Mr. Chairman, the witness has touched on, really, the key to the section. What the subsection is saying, Mr. Chairman, is, in respect to that land that was purchased, there will be no assistance for any transaction in respect to that land. It certainly does not preclude something going on to that land as a project and being eligible under this Ordinance. But what that section is saying, if he bought that land, prior to making application, then it does not apply.

**Mr. MacKay:** Perhaps the Government Leader could expand it. If he came to the Board before he bought the land, then it would apply?

**Hon. Mr. Pearson:** It may well, Mr. Chairman, under those circumstances.

But, Mr. Chairman, it says, I think quite specifically, no financial assistance shall be paid under this Ordinance in respect of any amount paid before the application for the financial assistance is approved.

Now, if, in fact, you are a land owner, that is something separate and apart from the project that might be considered by the Board for financial assistance. The Board, Mr. Chairman, would be prohibited from considering giving you assistance on maybe paying off that land. They would not be able to do it. They are specifically prohibited from doing that.

But, for the project, that is a different matter entirely.

**Mr. Fleming:** If I might then, just a yes or no would answer this then, I could give you an example again. I will give you an example of my own place, that I have something there.

Now, the Minister, the other day, stood up and sort of knocked us down, but I think he just did not quite understand what we were after, because in the incentive program, where the Economic Research and so forth have come up with their way to do this, they say that any program developed should be designed to meet the needs of existing and potential business in Yukon. So the tar paper shack attitude the other day, I take, was just sort of a joke. The other one I heard here four or five years ago about two-bit operators, is another joke that I do not really appreciate.

However, in the instance where I have a place, we will say, now, own the land. There is possibly a small debt against that property, which I would presume would have to be cleared before we got into this, but in no way would they allow any assistance to pay off that loan, to do anything in the existing buildings, land or otherwise. It would have to be completely for the new structure that was put there or whatever the business was. Am I right there?

**Hon. Mr. Hanson:** No, we would not help pay off the debt but we would help if he put a wing on the place or an addition but it would have to be a new structure onto the building.

**Mr. MacKay:** I have got a few general questions I would like to ask about the structure of this. Perhaps we can zero in on a few of the particular problems. It is the Government's intention to grant this financial assistance with the name attached to it of a loan, am I correct, that is what you are calling it, a "loan"?

**Hon. Mr. Hanson:** Yes, Mr. Chairman, we went through that the other day, it would be a loan actually.

**Mr. MacKay:** Is it the Government's intention to take any security for that loan and if so, how would they proceed.

**Mr. Kent:** We visualize that there will not be security taken, it will be the basis of a civil contract where the analogy might be a personal loan where basically we undertake to provide the man with a certain level of assistance in return for which he undertakes to do certain things which is construct a facility and repay the amount on terms and conditions when he is able to.

**Mr. MacKay:** Will the Government be taking personal guarantees from these individuals where it involves a limited company? It is fine to take a personal note back from an individual if he is doing the work but if you are dealing with a limited company, will the directors, for example, or shareholders, be asked for a personal guarantee?

**Mr. Kent:** Really, that is an administrative matter that will have to be decided and recommended by the Board. The purpose is to take whatever security or assurances that are necessary to make sure the man does what we want him to but on the other hand, not to apply so many conditions and require chattel mortgages such that he cannot implement the project. There is going to have to be a balance.



**Mr. Fleming:** This is one of the areas that I have problems in because I wonder how, when you go to a bank, IDB or whatever, to borrow the money in the first place, and this is the way that the program works, and then the Government is going to give you some assistance on the interest that is paid up, where can the Government get any area there that they could have any control other than maybe get personal liability from a person because the loan, in itself, would definitely cover what you are building. They are not giving you money just to do whatever. I can see no way that the Government can, and if there is a way, I would appreciate knowing, secure any monies that they put up.

**Mr. Kent:** I think he is correct. There always is the question of second mortgages and what have you. But, as we visualize it, and it will be up to the Board to determine their administrative procedures, it will be a contract between the individual or the company and the Government, or personal guarantees, as you say, sir.

**Mr. MacKay:** It seems to me that this is a pretty fundamental question about the program. I am not particularly satisfied with the answers so far.

First of all, I do not disagree with having a loan program, rather than an outright grant, but the way it seems to be visualized is that it is going to be a question of the honour of the individual receiving the money is going to determine, to a large extent, whether or not he is going to pay it back. I do not think that is a particularly sound way for the Government to embark on a program like that. Should there not be some uniformity about the obligations under which an individual will receive this assistance? Is that not something the Government should address itself to in legislation, rather than leaving it to the discretion of the Board?

**Hon. Mr. Hanson:** Mr. Chairman, that will come out in regulations, how we are going to enforce this. This is a policy we are trying to develop and then we will go into regulations to enforce it.

I am sure we will have the contract such that it is legal that we can recover our money. That will be part of the regulations that will take place when this Bill goes through.

We want to protect and help, but not hold back the people who are trying to get the use of this money. So, if we want to take a chattel mortgage or something else, it might be enough to stop progress because we had no right to do it. There is so much money tied up in it.

So, we will try and safeguard the money, because we would like to get it back. It is a revolving account that is the whole principle of this thing, is to get the money back so we can recycle it again to some other needy person. But, we cannot come out too strongly and shut it down before it gets started.

**Mr. MacKay:** We are wandering a bit, Mr. Chairman. I appreciate the latitude you are giving us, because it is good, perhaps, to explore it.

However, in an earlier section that repayment was discussed, and passed and it was a "may" section, not a "will" section. Perhaps I can have, again, an assurance from the Minister then, that every piece of financial assistance will be a repayable loan?

**Mr. Kent:** I think we can provide that assurance with one qualification. It may be necessary not to provide conventional hard loans in the sense, "Here is your repayment schedule - 15 per cent, your first payment is due every month."

It may be necessary in some instances to have unique kinds of payment schedules where perhaps the Government receives, after a certain profit level or certain rate of return, the Government takes a percentage of earnings in excess of that amount. So I think we are committed to the philosophy of repayment so there can be any different number of unique repayment schedules that could be considered. These will be policies developed by the Board.

**Mr. MacKay:** The fundamental thing that everyone will have to consider, if the Board cannot decide that this one is going to be repaid and this one is not going to be repaid, I do not think that should be left to the Board.

**Hon. Mr. Hanson:** That is right. Essentially all the money will have to come back into the account to be recycled.

**Mr. Fleming:** Although I do not think we have moved to 12(1), that is exactly the area that I have a problem with. We are still on 10 and I think we are actually speaking of clauses that are farther ahead.

**Mr. MacKay:** I will just finish with 10(3) on this one. I do not know if I can finish it with just one question. The witness said, in an earlier answer, that if a piece of land had been purchased, that that did not imply that he had embarked upon a project, specifically if you buy a piece of industrial land supplied by the Government, there are conditions attached to that that do imply that you are going to develop a project and in that instance would you not run afoul of this particular section.

**Mr. Kent:** If it did not apply in a case where the acquisition of the

land implied a commitment for him to develop a business or an industrial activity there, then I would think that that would preclude him from any assistance whatsoever. Otherwise why did he buy the land?

**Mr. MacKay:** I am glad the witness is standing firm in this project because I think that that then presents a very real flaw in the Bill because it is obviously, a fellow is going to go and secure the land first before he comes to the Government and asks for assistance to build the building on it. If, in fact, by virtue of purchasing a piece of industrial-zoned land developed by the Territorial Government, he automatically excludes himself from this program. I say that we have got a silly section.

**Hon. Mr. Pearson:** Mr. Chairman, there is absolutely nothing stopping him from going and getting that land. What that section says though, is that this program will not participate with him in the acquisition of that land.

Mr. Chairman, there seems to be some problem. It has, at that point in time, become two projects, one is the acquisition of the land, the other is whatever the project might be. If he had made the decision to go ahead and get the land without having some kind of prior approval in respect to his application, then, all this section is saying is that particular function will not be considered part of the total project.

It is a standard Clause and is a normal one in this type of Legislation. The lending authority, Mr. Chairman, has to be saved and be exempt from assuming prior responsibilities. Really, that is what it is all about.

**Mr. MacKay:** I like the Government Leader's interpretation of this. It did not sound like the same interpretation that I was getting from the witness and I understood the witness to say that if he had already committed and purchased that land, he had obviously made the decision that it was viable to go ahead and develop a project without Government assistance and therefore, as a result, he would not qualify. That is what I understood the witness to say.

**Mr. Kent:** I am not sure of the case he is describing. Now, you are having difficulties with the land itself, you see why even if the man has bought it, he should qualify for assistance.

**Mr. MacKay:** The Government Leader's interpretation was that even though he had bought the land, let us talk about industrial lots where in the process of buying it he had to commit to the Government to build a project on it.

So, the Government Leader's interpretation was that that did not affect him coming to the Board after that and getting financial assistance to build a building, which the Government is saying is stage two of the project.

I understood you to say earlier, though, that the project was indivisible, that having committed himself without any assistance or commitment from this Government, having committed himself to go ahead with the project, he had disqualified himself from assistance.

**Mr. Kent:** As this section is written, Mr. Pearson is correct. However, I think we still have to dwell on the intent of this legislation, which the Board will, as well.

Our intent is not to provide people with windfall gains and just move needlessly, serving no purpose, public funds into people's pockets. I should say that this Clause was modelled on the basis on almost every other business assistance program across Canada and it is looser than most other retroactive clauses.

**Mr. MacKay:** I still do not like it, but I will accept the Government Leader's interpretation of it.

Clause 10(3) agreed to

Clause 10 agreed to

On Clause 11

Clause 11 agreed to

On Clause 12

**Mr. Fleming:** Yes, Mr. Chairman, I have a little problem with the actual enforcement of some of these sections here. As I said before, on 4(4), I had a problem, which still stands, as to where they may or may not say at that time whether they were going to be able to give you any assistance or not. However, some people may get free assistance, some may not get any. In other words, a portion of it may be paid by the Government and then a portion may not be, these kind of things.

Then this section here, again, we are looking at something, to me, seems to be very strange that maybe a year can go ahead and they can have money to study the project and all this and another year, maybe while they are deciding to build this project, then they build the project and then three years go by that they get help.

During that three years, five years have gone and then after the project is finished, five years later, within five years.

I presume then if it is within five years, he could ask for it any time. I just wonder about something, it may have hardly got off the ground and then all of a sudden it is gone. Maybe I might be just worrying about something that is not there because it would not be there anyway. I do have a little problem with that section. I do not think there is anything that can be done; I understand what a problem it is when you are giving just assistance to interest and not when you are involved in the very loan itself. I see the problem.

**Mrs. McGuire:** Under (2), where it says "offence", "Every person who fails to comply to demand under Subsection (1) commits an offence." Is that decided by the Board as to the extent of the offence and the fine or whatever it is?

**Hon. Mr. Hanson:** No, it would not be decided by the Board. It would be noted that it is an offence under the Ordinance that they are handling, but somebody else would be handling whatever is going to come of it. We would probably have to go to a lawyer or get legal advice to find out what we could do to recover our money and if people will not give us the information, how their business is doing so we can recover our money, then we have to find out somewhere. The Board will not be deciding how they are going to do it.

**Mr. MacKay:** This section is a fairly general requirement section, but I wonder what the implications beneath it all are. What is the Government's intention with respect to getting repayment of these things? This section is where you are requesting financial information that would give you an idea whether or not the man can afford to pay. It may well be that the Board may decide that he cannot afford to pay it and forgive the loan, is that contemplated?

**Hon. Mr. Hanson:** No, Mr. Chairman, we will hope at the end of five years we can assess his rate of profit or whatever, and set the rate of repayment on the basis of what profit he is making. If he is not making any profit, we cannot assess his profits, it is as simple as all that. But it will be something that we will have to watch to try and recover our money. The basis of what percentage of the profit that we collect will be set by the Board on the amount of profit he makes. We cannot take all his profits.

**Mr. Fleming:** Yes, that is exactly my problem in these two sections. As the Honourable Member finally brought up, just what are they going to do with this information that they are going to get?

The Minister says they are going to, at that time, maybe assess as to whether you should pay back the assistance that you had to not.

Mr. Chairman, when you go back to 4(4), it states in the Ordinance that upon application, that is when they will decide if you will be paying any back or not. Just check back and see what it says. I find, five years later, worrying whether a person is going to pay assistance back or something— I will read you 4(4), "It may be a condition of the approval of an application—"

**Hon. Mr. Hanson:** Mr. Chairman, the Member is going back to the front of the book. I think he has to have the consent of the House to go back.

**Mr. Fleming:** I am not going back there but I am saying what is in this Ordinance and what it reads, what we passed back there. Now we have another section that comes up which is actually saying something else again, other than what is in the front of the Ordinance. This section, I just do not understand why it is here at all in that sense. I do not know what they are going to do with that information. I would like to know and he says they are going to use that to see if you should pay back all the assistance or not. To me, we have settled that already.

**Hon. Mr. Hanson:** Mr. Chairman, I did not say that at all. I said, the amount of profit the business is making will set the rate that we will collect our money back. Now, if the Member cannot understand that, if you earn \$15,000 in a year and we say we want three per cent of that to repay what you owe us, that will be the assessment for that year. I did not say that we were going to say that he did not have to pay it back. I do not know where the Member got that kind of a story at all. We want our money back but we do not want to break a business to get our money back. We would like to assess the profit of the business to get our money back so it is acceptable to both of us. He can still survive.

**Mr. Fleming:** Absolutely, and I believe the Minister is absolutely right, I agree with what he is saying and I understand. However, as I said before that, we have already said that we are going to decide what to do and now we are going to decide over again.

**Mr. MacKay:** I have spent ten years in this Territory doing accounting and calculating profits and assessing the rates of return and I will tell you, Mr. Chairman, this section will not work. It will just not work.

It seems to me that there are so many variables involved in arriving at a rate of return for a small, closely-held business, and I think that is all we are contemplating here is small, closely-held

businesses. It is impossible for this department here to be able to go into a business and say "You make X return on your investment this year. You will pay Y amount." It just does not work that way. There are so many variables.

Most highway lodges, and I am talking very generally now, with no specific places in mind, most highway lodges hardly show a profit all the time they exist. The only time they make money is the day he sells it. On that basis, you would never get repayment.

So, perhaps the Minister can answer a specific question. Is it going to be a condition attached to these loans whereby if the owner sells the business before the money is repaid, that out of the proceeds of the sale of that business the Government will be repaid?

**Hon. Mr. Hanson:** Mr. Chairman, I would suspect that when a person gets the money from us, it will be a condition of the sale that we get our money back. We have to get the money back. We are accountable to this House for any money that we give out and we would have to get it back.

You can think of as many other circumstances as you want against this Bill, but I think, basically, that when we get into the final regulations, we will have a good Bill. I respect the concern of the Member across the floor. As an accountant, he should know quite a bit about it. The final terms will be in the Regulations, how we do collect our money, because we do want to collect the money back because the whole purpose of it is to have that revolving account, as I have said three or four times. We cannot have a revolving account if we give it away and do not have the responsibility to collect it. We intend to collect it. It is our responsibility to collect it. Whether we have to go to court or not to collect our money, we intend to collect. It is as simple as that.

**Mr. MacKay:** Strong stuff from the Minister of Renewable Resources; good stuff from the Minister of Renewable Resources.

One step further, though, if he could assure me that, in regulations, there will be certain basic provisions about repayment that will be non-discriminatory. In other words, it will not be possible for somebody to avoid repayment of a loan that somebody else would have to pay, by virtue of the terms laid down by the Board, given equal circumstances. To be more precise, in the event of a sale of a business, that would automatically trigger repayment. In the event of a loan to a limited company, the shareholders would be personally liable on it, just as if they were without the limited protection.

In other words, you would eliminate any discrimination by virtue of circumstances of each applicant, so that everybody would be operating on an equal basis, having to repay this loan.

**Hon. Mr. Hanson:** Mr. Chairman, it almost sounds like he is defending a client already.

However, I assure you, even if it is a Liberal business, we will be fair about it. We will try and keep it even.

**Mr. Falle:** I have a question for Mr. Kent. In this loan, are there any criteria for having to be a Canadian citizen to obtain assistance, on this assistance program of yours? I did not read any, that is why I am asking the question.

**Mr. Kent:** That is a matter that would be dealt with by regulation, but, again, I come back to the objectives of this Bill, which is to create investment and employment in Yukon. The Minister has stated on previous occasions that Yukoners will receive priority, but no automatic exclusion.

**Mr. Falle:** Maybe I should ask this of the Minister, then. Hypothetically, if I am an American citizen and I want to turn around and start some kind of a lodge on the Alaska Highway or a fly-in fish camp and I apply for X amount of dollars, \$100,000 or \$200,000, whatever this thing allows, and I earn \$100,000 the first year, I put it in my pocket and I go home, where are we?

**Hon. Mr. Hanson:** I have a lodge.

**Mr. Falle:** I can repeat the question.

**Mr. Chairman:** It would appear to the Chair that we are straying from the clause under discussion. I would ask that you would stay within the bounds of our discussion.

**Mr. Fleming:** Yes, just one more remark, not a question. It may be the answer, but I hope the Government realizes in this section that, to me, there is room for all sorts of discrimination. "At the end of the period of assistance for any applicant." I think that section is going to allow all sorts of discrimination.

If you wish me to explain, I can see where there is a possibility the project is not really getting along, but it creates some employment, or it could create some employment somehow or other, so therefore somebody says, oh yes, or whoever or whatever, says, "Oh yes, that is fine and dandy. We will not ask them for any monies back because they do not have to ask for any monies back, the Commissioner may not ask."

On the other hand, somebody who might have a viable business may be taken as not doing things the way they want it and the Commissioner says, "We will soak him every nickel, make him pay back every cent." I find this section pretty loose and I really do not agree with it.

**Mrs. McGuire:** Speaking of discrimination, there certainly is discrimination in this against existing businesses to start with because you look at all the small businesses in the Yukon. There are numerous small businesses, maybe for five months out of the year, that are just barely making it, that are facing bankruptcy. There is nothing in here, there is no help for them, absolutely nothing, unless they intend to expand their business. Further on you are financing more business so you could duplicate and compete against these existing businesses that are already just about sunk out of sight. That is a type of discrimination.

**Hon. Mr. Hanson:** Mr. Chairman, that is not what it is meant for at all. If a business is going broke now, there is not much point in putting money into it and it sure as heck is no use building one across the street. So that is the discretion of the Board. We want businesses that are viable and if a business that is there now cannot survive, there is no point in putting another one there. This is not another program that we well know of that does such a thing.

A feasibility study will be done presumably by the person who wants it done and the Board will be made up of businessmen, they will decide whether it is a viable business or not. A lot of them, I hope will be smart enough to realize when a business can succeed and when it cannot.

When there is business going bust there now, there is no way you could start another one and make money on it.

**Mrs. McGuire:** You are saying that now, that that sort of thing will not happen. Well, there are a lot of smart people that sit on the FBDB Bank Board and also on the DREE Programs, the Board, like Special ARDA, and that is exactly what they are doing.

**Hon. Mr. Hanson:** That is right. Frankly, that is right. We agree with that and we do not want that to happen with this Board. This Board will be maintained by the Territorial Government.

**Mr. MacKay:** I would just like to go on record as saying that this is a very loosey goosey section. I think that the whole process of repayment should be more firmly spelled out and that certain basic criteria should be built in there so that everybody is treated on an equal basis. I do not think that section does that or even attempts to do it and I think it is a very idealistic thought that you can judge your rate of return and gear payments to it when there are so many other things that can enter into it. I know the principle of the Bill and what you are trying to do but I think there is a very loosey goosey approach to it right here.

**Mr. Penikett:** It seems Mr. MacKay is not communicating very well with the Minister. I think the concern here is that this obligation to the people of Yukon, that this small business has occurred, because this payment schedule becomes the lowest status obligation of all.

In other words, when things may be tight or the profits may be marginal, all other obligations, no matter how deeply committed or how much the need or how complicated or how important they are, will inevitably be met first before the business embarks on a payment schedule here. That is because in a funny sort of way, if it is geared to the level of profit or the return on equity or whatever, the business, for what may to them seem very good business reasons, may want to defer payment to this loan as long as possible and that is not healthy for the fund.

**Hon. Mr. Hanson:** I can understand that, but we have to have some degree of flexibility in the Bill to allow for the person that is having a bad year, but has put an effort in.

So, to tighten it up, you are going to defeat that fellow, which, I am sure, you do not want and we do not want to do. So, we are going to have to have a certain degree of flexibility. If a fellow has a booming business and he figures that fellow down the road is getting it deferred for a little while longer because he is having a bad time, I should have the same thing. I think that would have to be set on the circumstances of what is going on in a particular business at the time. We have to have that degree of flexibility for the Board to act on.

I do not think we can set hard and fast rules, as a small businessman might get hurt, because we would have to close in on him and ask for money and I think we would defeat our purpose if we go the other way.

**Mr. Tracey:** Mr. Chairman, I think everybody has missed the whole point of this section. The section, all it does is give the Commissioner the power to compel the people to give the information so that they can assess the success of their program. It does not say anything about rebating or anything else. It just wants the

information so they can assess whether their program is working satisfactorily or not.

**Mr. Fleming:** Mr. Chairman, I have to disagree with the Honourable Member. The effect of the payment of the financial assistance, and that is exactly what it says, it could affect the payment, because of the fact that they may not have it.

I think it has been well said, so I will not belabour the subject, however, I just cannot see a section such as this working in any way, shape or form, in the future. It just, to me, is not going to. I think when the loan is given forth, that is the time that the terms should be there and those terms should hold.

Of course, if the business goes broke or something, that is a problem. You cannot collect then, anyway.

The Minister said something about they could foreclose and so forth and so on. That is a bunch of rubbish, because you cannot foreclose on something that already has a mortgage or has a hold on it somewhere else, unless the Government is coming up with a second mortgage on every one they put out and, if they do not do that with every one, then we have discrimination again. Do we or do we not have that? Are we going to give some away and then are we going to say no to others at the start of the program and have a second mortgage tied on to them? Or is the Government going to do this just as a venture?

I just do not quite understand.

**Mr. Tracey:** Mr. Chairman, I have to disagree with the Member across the floor. I did not misunderstand it at all. I think he misunderstands it.

It says "...assessing the effect of the payment", whether the payment of the assistance to any business is doing the job that it was supposed to do and that is exactly what this section says.

**Mr. Penikett:** Mr. Chairman, what a joy it is to listen to the Member for Tatchun when he is all steamed up. I hope we can keep him going for a while. He is such a delight.

I just wanted to pick up, since it was raised in connection with this section, another remark by the Minister that did cause me some concern. When he was talking about moving in where business was marginal and might fail, I think in response to the Member for Kluane and said, "Well, clearly, if another one had gone bust, you would not want to start another business there."

What concerned me about that, I think it is perhaps something his objective, non-partisan, independent, non-Conservative, non-Liberal Board, I do not know where you are going to find these people, but make recommendations here. I had always been under the impression that among the variables that determine whether a small business will be a success or failure, from the point of view of economic Liberals and economic Conservatives, were questions like good management, quality of service, price, those things along with some external market forces which perhaps are beyond the control of the small businessman.

I hope the Minister was not making a firm policy statement. I only suggest that just because there was some dope who could not run a hot dog stand or should not have been running a hot dog stand went broke running a hotel, which is quite easy to do, because if you do not know what you are doing you could go belly up quite quickly.

To suggest that that should prohibit some eminently qualified hotel manager such as the Member for Tatchun, the Member for Whitehorse North Centre, or the Member for Whitehorse West or the Member for Riverdale South, or any Member of this House, from making an application or getting into the business because they were able to do it, they had demonstrated an ability to run such a business.

**Hon. Mr. Hanson:** The Board will decide the need of such a business and the location. I cannot decide that sitting here; they would decide that. I mean if the place has gone broke, not too many hotels go broke that sell booze, not where I live anyway. However, they would have to be judged as a need as well.

**Mr. Fleming:** I do not know if you have to be dumb to be confused in this House or not, Mr. Chairman. I am not sure. It certainly would help. I sincerely hope that the Honourable Member for Tatchun is right. If he is right, what have we been arguing here for hours about and why did the Honourable Minister stand up and say that this is what this section is for - to collect or maybe to take payment back or not take payment back. Either way, one way I do not agree. If it is the way the Honourable Member for Tatchun says it is, then I would agree with the section definitely. But not the way the Minister explained it a moment ago.

**Mr. MacKay:** I am not the least bit confused, Mr. Chairman. I know what this section is for, the Minister knows what this section is for, the Member for Tatchun knows what it is for. Certainly, it is to get information. That is all it is to get. But why does the Commissioner need this information? He needs it so he can assess how he is

to be paid and that is what the Minister says. So we have been talking about the same thing.

The Member for Tatchun would like to shut the debate off quickly so he can go home to his hotel. I think that, clearly, we have been talking about how the Government will assess the repayment terms. This is what is implied by this section. Without getting into any more debate on that, I urge the Minister to strongly consider firm regulations, avoid the discriminatory kind of problems that can arise if you give unequal treatment to borrowers.

The more I read this Ordinance, the more I feel that it was written for a grant and the way it adds up you might as well make it a loan and really nobody went through the whole Ordinance re-thinking it in terms of lending money. We are still thinking about granting it all the way through and I think sure, you can make up for things in regulations but there are probably some basic deficiencies in the Ordinance, which, I do not want to hold up the Ordinance for because I think we want to get the program going, but I do strongly suggest that there has to be a non-discriminatory type of program or repayments applied across the board for every applicant.

**Mr. Penikett:** Mr. Chairman, let me put that into English. There is an old Scottish expression that says an enough is as good as a feast. I think that what is being said here is that flexibility is not a bad idea, the reasons that the Minister wants flexibility are good, there can, however, be an excess of it which may defeat the intent of the legislation and the intent of this clause.

Clause 12 agreed to

Recess

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

This afternoon, we are discussing Bill Number 32, Business Development Assistance Ordinance. Before break, we had concluded Clause 12. We will continue on now and discuss Clause 13, each subsection separately.

On Clause 13(1)

**Mr. MacKay:** Could the Minister tell me what composition of the Board he envisages, out of town, professional advisors, any from the Federal Business Development Bank to co-ordinate that?

**Hon. Mr. Hanson:** Yes, Mr. Speaker, there will be somebody from the Federal Reserve Bank. I think that I have mentioned before that they were talking about setting up a general board to administer the businesses, under other circumstances. It would be same Board essentially, with members from that Bank.

**Mr. MacKay:** How about out-of-town representation, as well? Will that be out-of-town representation on the Board, as well?

**Hon. Mr. Hanson:** Pretty well. I think we would have to have somebody from out of town because of the fact that a lot of people who will be applying will be from outside areas. I would presume there will be a lot of people applying from outside areas and you would have to have proficient people from all different areas and different types of businesses to make the Board work as it should work.

**Mr. MacKay:** Is it contemplated that the Board members will be paid any fees for their services, per diem?

**Hon. Mr. Hanson:** I think I already explained that. If we work it right, we can get it paid from DREE and DIAND. They have money in their funds for that.

Possibly, there will be a fee from us when they sit on this Board.

**Mr. MacKay:** One final question, will the Board meet only on demand for its services or will it have a regular meeting schedule?

**Hon. Mr. Hanson:** Well, they would probably meet on demand or a set time of each month if it had business to handle, but if there is no business, there is no point in coming in, unless they are looking into some other aspect of the whole thing.

Clause 13(1) agreed to

On Clause 13(2)

**Mr. MacKay:** I enjoy oaths, especially from the Minister.

Perhaps he could tell me what kind of oath they have in mind? Is it one of confidentiality or allegiance to the Queen, or what do they have in mind?

**Hon. Mr. Hanson:** I do not think it will be an oath of allegiance to Bonnie Prince Charlie at this time. An oath of secrecy probably, not to be talking out. The usual oaths.

**Mr. MacKay:** The Minister from Mayo's oaths are probably quite different from the usual ones.

Clause 13(2) agreed to

On Clause 13(3)

**Mr. MacKay:** Did the Minister consider in this Clause allowing for

a rotating type of Board? It would not be good to have complete turnover every two years. What did they have in mind here?

**Hon. Mr. Hanson:** Yes, I agree, Mr. Chairman.

Clause 13(3) agreed to

On Clause 13(4)

Clause 13(4) agreed to

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

On Clause 15

Clause 15 agreed to

On Clause 16

**Mr. MacKay:** Will the regulations be giving any indication of what might constitute an indirect conflict of interest?

**Hon. Mr. Hanson:** I imagine. Yes, we will have to go over that very closely in that paragraph to make sure that there are no possible conflicts. They will have to absent themselves from it if there is even the slightest conflict.

**Mr. Penikett:** Mr. Chairman, if the Minister's officials do succeed in finally determining what is an indirect conflict of interest, perhaps they would be so good as to advise the Rules, Elections and Privileges Committee.

Clause 16 agreed to

**Mr. Chairman:** On Clause 17, we will discuss each of the three subsections separately.

On Clause 17(1)

**Mr. MacKay:** Mr. Chairman, this is a pretty good section provided that the employee that we have in mind has certain qualifications. Perhaps the Minister could give me some kind of brief run-down of what kind of person he would be hiring as a Secretary to the Board.

**Mr. Kent:** Ideally, we would hope that it would be a person who had a background in Business Administration, some involvement in business itself and who understands its problems and machinations. Those would be the prime requirements.

Clause 17(1) agreed to

On Clause 17(2)

**Mr. MacKay:** This Secretary to the Board, at the direction of the Chairman or the Commissioner, investigates and makes reports respecting applications and the carrying-out of purposes and projects in relation to applications is a fairly broad amount of duties. I would like to think though and perhaps the Minister can confirm it, this secretary will be a kind of unofficial advisor to the Board. He will have gone out to the site of the proposed project and looked at it and done a lot of leg work before the program goes in front of the Board and will be in a position to give good advice. This is really his function, I believe. Perhaps the Minister could confirm this.

**Hon. Mr. Hanson:** That was a fairly chauvinistic answer. It could be a female, it does not necessarily have to be a male. Yes, I presume that the person that would be having this position would be available to go out and look at these projects so they could give some advice to the Board. That is why we would have to be very careful of the person we can pick to give the Board some good advice.

**Mr. MacKay:** Will this person be responsible for collecting the repayments too, or will that fall under Treasury?

**Mr. Kent:** Certainly, initially, it is visualized that the secretary, and whatever additional staff that may be required as the program evolves, will be responsible for the collection or repayment of the assistance.

**Mr. MacKay:** Will that fit the existing Small Business Loans Program too?

**Mr. Kent:** I believe the administration of the Small Business Loans Program will remain where it is, with the Department of Finance.

**Mr. MacKay:** I would perhaps like to explore perhaps, there seems to be a bit of a contradiction in the handling of the thing. If the Small Business Loans Program is going to be funded by Treasury, it seems to be logical that the repayment of these loans should also be handled by Treasury because they have all the mechanisms at their disposal to enforce the collection procedures. Why should this program be administered in a different way than the Small Business Loans?

**Hon. Mr. Hanson:** Probably, Mr. Chairman, the reason being, a small business loan, it is pretty hard to collect any money out of what is outstanding at this time. We have not given any money out on this one yet.

**Mr. MacKay:** Should it not be, as part of the duties of the Secret-

ary, if, in fact, it is going to be his duty, should it not be listed as one of his duties to make the collections? It seems to me that that would be a fairly major part of his duties after a first year or two of the program?

**Hon. Mr. Hanson:** Mr. Chairman, I would have to refer to the person who has the job, rather than "he", it would probably be part of their duties to collect the money and be responsible to see that the money is collected.

**Mr. MacKay:** That being the case, why is it not in the legislation?

**Mr. Kent:** If you will refer to Section 17(2)(e), that is an all-encompassing clause, which covers everything from apples to oranges. That requirement would be included there.

**Mr. MacKay:** Okay.

Clause 17(2) agreed to

On Clause 17(3)

**Mr. MacKay:** I would like to say it is a good clause.

Clause 17(3) agreed to

Clause 17 agreed to

On Clause 18

Clause 18 agreed to

**Hon. Mr. Graham:** Mr. Chairman, it is in two parts, is it not, (1) and (2)?

Would you clear them individually, please?

**Mr. Chairman:** The Chair has already stated it is considering both at one time.

**Hon. Mr. Graham:** There is an amendment to Section 18(2).

**Mr. Chairman:** Okay, I am sorry.

Where is the amendment?

**Hon. Mr. Pearson:** Clause 18(2) makes reference to the Legislative Assembly and, Mr. Chairman, in Legislation we are not allowed to do that. There is no such an entity. That must be changed to say "Territorial Council" or "Council".

**Hon. Mr. Graham:** Mr. Chairman, the amendment should be ready very shortly so perhaps we could continue on to 19 and leave 18(2) aside for now.

**Mr. MacKay:** On a point of order. I know it is the last day or second last day of the Session but this would normally require unanimous consent because I believe we cleared it.

I would like to state that I am prepared to give consent but I think the Chairman should be asking us.

**Mr. Chairman:** Do I have unanimous consent to reconsider Clause 18?

**Some Members:** Agreed.

On Clause 18

**Mr. Chairman:** I declare we reconsider Clause 18. At this time is it agreed that we stand Clause 18 over until we get the amendment.

**Hon. Mr. Hanson:** I propose an amendment to the Bill, that Bill Number 32 entitled Business Development Assistance Ordinance be amended in Clause 18(2) at page 8, by deleting the words "Legislative Assembly" and substituting therefor the words "Territorial Council".

**Mr. Chairman:** The amendment before me: it is moved by Mr. Hanson that Bill Number 32, Business Development Assistance Ordinance be amended in Clause 18(2) at page 8 by deleting the words "Legislative Assembly" and substituting therefor the words "Territorial Council". Amendment agreed to

Clause 18 agreed to

On Clause 19

Clause 19 agreed to

On Clause 20

Clause 20 agreed to

On Clause 21(1)

**Mr. MacKay:** Under (b), "at the request of the Commissioner, make recommendations concerning the payment of financial assistance in respect of applications..." Are we talking about the absolute amount or the manner in which it is going to be paid?

**Hon. Mr. Hanson:** The manner in which it is going to be paid.

**Mr. Fleming:** Mr. Chairman, it goes right back to where we were a while ago, as to where there may be some more discrimination in this section, because of the payment that could be made to anybody, any type of thing like this should be the same to everybody. Under this section, of course, it does not have to be the same to everybody, so I would just like to record my objection to that very thing in this section, the same as the one we passed a little while

ago.

Clause 21(1) agreed to

On Clause 21(2)

**Mr. MacKay:** This is a fairly specific section— that the Board shall take into consideration. In arriving at its conclusion, will it actually have to go down each one of these points and clear it and say, "yes, yes, yes, yes" and, if it meets it, there is "yes" in everyone of them, then the loan is approved?

**Hon. Mr. Hanson:** The way my good friend across the floor puts it, it sounds like a typical civil servant questionnaire. I do not think it will be that stringent on following it.

**Mr. MacKay:** Just so that the Board does not wind up in the unenviable position of the small business loans administration prior to this, paragraph (c), it would appear to imply that if, in fact, there was no assistance forthcoming, the only reason that you would give assistance is to ensure the project went ahead. If the Board is satisfied that the need is proved, it can give the loan.

What I am worried about, does that mean it can only approve things that are so shaky, so marginal, that it is going to wind up with a high degree of failure? The Minister does not intend that section to operate in that way.

**Hon. Mr. Hanson:** No, Mr. Chairman.

**Mr. Fleming:** My problem with it is, I am wondering why (c) is in there because they are going to turn a report in, a recommendation to the Commissioner to approve or not to approve the application. They are going to disprove the application and I am wondering when they disprove that application, the extent to which the project can be carried out if the application is not approved.

Now what would the Board, or anyone else, be saying the extent of what is being carried out when they would not even know if it was going to be carried out and would it have any effect on a person who was trying to get some money and could possibly get the money without the Government's assistance, but through this might not get that. Would it have any effect on him getting that money otherwise?

**Mr. Kent:** This section, I do not think is a multiple choice thing in any sense. It is to advise the Board of the kind of concerns and considerations that the Government wants them to look at when they are assessing an application and make a recommendation.

**Mr. MacKay:** I do not disagree with this section if that is what it is meaning to do. I think it is a very good thing for the Government to set out its criteria because oftentimes it is sort of missing in other ones where Boards are operating. This Board is definitely going to have guidelines to work around as long as they are not too restrictive, as I pointed out earlier, to make only bad loans possible.

Clause 22(2) agreed to

On Clause 22(3)

Clause 22(3) agreed to

On Clause 22(4)

**Mr. MacKay:** How often is it thought that this section will be invoked?

**Hon. Mr. Pearson:** Mr. Chairman, neither of the responsible Ministers nor the witness can answer that, but Mr. Chairman I would respectfully suggest that the section is one that should be there and the Board should have the discretion of demanding certain information, under oath, if the Board deems it necessary that it be under oath.

Mr. Chairman, I am speaking from experience on this kind of Board in the past when, in fact, our Board was misled and it could well have been avoided with this kind of requirement.

Clause 21(4) agreed to

Clause 21 agreed to

On Clause 22(1)

**Mr. Chairman:** You will note that in 22(1)(i), after the words, "financial assistance should be paid", there is a period. It should be a comma.

**Mr. MacKay:** My only concern about this is that there should be some pressure on the Board to make a timely decision to come to a conclusion fairly quickly. I do not know how you write that into Legislation that allows "forthwith" which would seem to be a little strong but perhaps a statement from the Minister on how he sees the Board functioning in that regard.

**Hon. Mr. Hanson:** The whole program is set up to assist these people to try and get a program going. It is our intent. I hope the Board will be able to process these applications as soon as possible.

Clause 22(1) agreed to

On Clause 22(2)

Clause 22(2) agreed to

Clause 22 agreed to

On Clause 23(1)

**Mr. MacKay:** I am wondering if the Minister has made any projections, or if his Department has made any projections, as to the cost of the various aspects of this program. How do they anticipate the first couple of years operating with respect to how much money will go on this side? What is the forecast, have you got any idea?

**Mr. Kent:** We do not have any forecast. We could make forecasts but they would be sheer conjecture. From the announcement in last Thursday's newspaper and some of our preliminary talks with businessmen, a lot of interest has been expressed in this program but it is simply impossible to know how business will respond to this program until it is activated.

**Mr. Penikett:** Well, I hope I may ask a tough question. What is the ceiling, the maximum which this Department is prepared to commit to the program? Is there any planning or goals, targets in that area?

**Hon. Mr. Hanson:** I presume the Member means the total of the program? To us?

**Mr. Penikett:** How much is the Federal Party, what is the maximum that they are prepared to commit for this program?

Let me explain my question so the Minister can understand. This subsidizing of interest rates or at least providing people with loans to, in fact, help meet interest rates, this occurs to me a potentially very expensive business. I could understand there could be enormous demand for it, if the current situation were to continue for very long.

Presumably the Minister has made some planning estimates as to what kind of demand or how much this may cost somebody.

**Hon. Mr. Hanson:** Well, there is approximately \$4.2 million left in the small loans program that started with. That will be the sum total that we will have to put into this project over a period of four more years.

**Mr. Penikett:** So, that million dollars a year is, in fact, the maximum that you are prepared to go? Okay.

**Mr. MacKay:** Just to clarify one point, would there not be some cost to the Territorial Government on administration and payment of Board fees and expenses?

**Hon. Mr. Hanson:** It will also come out of this \$4.2 million. They will be contract positions, not permanent contracts.

**Mr. Penikett:** Perhaps a question I should have asked in Clause 1, just in terms of the total cost, the Minister, presumably, has some idea from DREE what the current national averages are, in terms of investment for jobs created or how much investment is required to create one job in different regions of the country and maybe ought to make some kind of guesstimates here.

I am curious as to whether, given that this money may or may not be available, this was deemed to be the ideal method for using this money, in terms of optimising job creation and business opportunities, did the Minister have any flexibility at all?

**Hon. Mr. Hanson:** Mr. Chairman, this changeover from Small Business Loans to this is totally a thing of the Territorial Government, is a program of the Territorial Government. The Federal Government approved of it in principle only and they now have the whole Bill to look at.

They were in favour of it principally as the answer to the Small Business Loans program, because it was not working really. So far we have not had any further discussion with them except that they now have the Bill and in principle, they agree with it. There are no hard and fast rules that we know of anywhere else that apply to such a program as we are not initiating.

**Mr. Penikett:** Just so the Minister is clear, the Minister is not for a moment leaving the impression with the House, that if he had a million dollars to spend, this is the way it would create the most jobs. He is not suggesting that for a minute in terms of if he had his druthers or if he had a complete range of alternatives. He started to transfer the kind of program here but it is not the single preferred method of job creation.

**Hon. Mr. Hanson:** The primary thing here is economic development with the stipulation that there would be job creation with it. It is not a job creation program entirely. It is a combination of the two but mainly mean economic development.

**Mr. MacKay:** Actually the section we are talking about is a job creation program, I hope. A couple of points the Minister could answer and this is in respect to hiring consultants. The first thing is: I know consultants have a tendency to overprice themselves. I wonder, first of all, would the Board be involved in setting the amount to which they are prepared to go? I know that the

maximum is \$10,000 but I would not like that to become the minimum either for any of these things so will they be making some kind of value judgment as to the worth of the consultants' report? I am sure the Witness is aware of the difficulties you get into when you start dealing with consultants. First you could answer that one.

The second one is in the view of the previous assurances of all these things being loans, in the event that the feasibility study comes out with the fact that the project is not feasible, will this still be treated as a loan by the Committee?

**Mr. Kent:** This program permits a maximum assistance of \$50,000, not \$10,000, and I guess the second point is if the consultant study said that the project was not viable, in terms of commercial viability, the project would not be supported and it would be cancelled at that point.

**Mr. MacKay:** I thank the witness for pointing out that \$50,000. I had not looked over there on the page when I was recalling this section.

The question I had was, we have just, in this instance, spent \$50,000 on a consultant's report, which has exhaustively examined the subject and decided the project is not viable. The Government has lent, to the applicant, at that point, \$27,500. Is it the intention of the Government that that would be a repayable loan, and is that realistic if, in fact, the project is not viable?

**Mr. Kent:** In an instance where money was invested by Government in a feasibility study, and it was found not to be viable, then the money would simply have to be written off, because there would be no business developed with a cash flow, with profits, with income to repay a loan.

**Mr. Fleming:** I think the question relates to the amount of the financial assistance payable under this section.

Through the Ordinance, here and there, we have spoken of whether a person would be eligible if he was from out of the Territory, and so forth and so on. I see in the business development, the program for Yukon, where in opportunity identification all Yukon residents are eligible, all companies operating in Yukon or are planning to operate in Yukon. I see planning "...all companies who operate in Yukon or are planning to operate in Yukon are eligible."

I am just wondering, I do not see that, really, in the Ordinance here, but I am still wondering if, somewhere, maybe I missed in the Ordinance, that somebody outside Yukon could apply and under Section 2, here, the amount would apply to them if they were just planning to operate something here. Say somebody from British Columbia wished to set up in here, and they applied for this program and, according to the Economic Research and Planning Unit, this is what they more or less said the eligibility would be.

**Hon. Mr. Hanson:** In the first place, Mr. Chairman, the document that the Member is looking at was not to get out of our Economic Development Office and he is using that as the basis of the Ordinance. We are dealing with the Ordinance and not on the paper that was not supposed to be out of our office.

**Mr. Byblow:** Since the Minister has identified the paper and since we all have it on this side, I want to ask a question with respect to Clause 23. This now is an identification of one of the forms of assistance under this Ordinance.

The working paper the Minister referred to suggested that this be in the form of a grant and now it has to be a loan that is to be repaid. There was discussion at some point of who would possess the feasibility study given that Government is assisting with it, is the intention of the Ordinance to claim an ownership to the study in light of their assistance?

**Hon. Mr. Hanson:** He is kind of off the track to what he was dealing with. Is he dealing with the discussion paper or is he dealing with the Ordinance? I am not too sure. If he is dealing with the discussion paper, I refuse to comment except that they will find it a little harder now to get information from our offices.

**Mr. Fleming:** Mr. Chairman, I will just ask my question over again because it does not make any difference, I am not dealing with a paper. That was a proposal that probably they looked at and made an Ordinance which might be entirely different. I ask that question, is a company in British Columbia allowed to get money under this Ordinance to study, as it is in Clause 23(2), to study a project that they may come into the Yukon and build?

**Mr. Kent:** Again, it is a question of priorities and a question of the nature of the project. If a British Columbia investor had a project to come up here and invest several million dollars in Yukon, employ a dozen Yukon citizens, that is something I am sure the Board will be very sympathetic toward. If, on the other hand, he wanted money to study a summer job for himself and his wife, I do not think the Board would be sympathetic to it at all.

**Mr. Fleming:** That is not clear. I thank him for the answer but I do not believe that I can go along with that principle.

Somebody from British Columbia could get into the act here with a big bunch of money and get a loan. We only have so much to loan and I think it is for Yukoners. I think it should stay that way, probably.

**Mr. MacKay:** I would just take issue with the previous speaker and I hope that somebody even from Scotland would be able to take advantage of this.

The question I asked that I did not get an answer to originally was, how will the Board control the cost of these studies to make sure that they are not being over-charged?

**Hon. Mr. Graham:** Hire a consultant.

**Hon. Mr. Hanson:** My colleague on my right just answered the question.

I would refer that question to Mr. Kent.

**Mr. Kent:** This question deals with contract management and I guess it depends, in terms of cost overruns and the product that you get, it simply depends on the terms of reference you give the consultant and how closely he is managed.

**Mr. MacKay:** Yes, so, as I understand it, it may well be the applicant who is hiring the consultant and I am wondering, to make sure the Government is not taken for a ride on this one, that there will be conditions laid down for a project management type of decision-making made by the Board to ensure that the cost is reasonable, the terms of reference are reasonable and that the product they get back, in fact, conforms to the first two.

**Mr. Kent:** Yes, sir.

**Mr. MacKay:** Good.

Clause 23(1) agreed to

On Clause 23(2)

Clause 23(2) agreed to

**Mr. Byblow:** I did pose a question that was not answered by the Minister. Is it the intention of this Ordinance, or, perhaps, under regulation, for the Government to have access to or possession of these studies that will be taking place, or is the position of Government such that this really belongs to the business that is, in the long-run, paying for it, on a loan basis?

**Hon. Mr. Hanson:** It would be between. A person who has this feasibility study, it will remain his property and any time between six and twelve months after, it will become our property if he has no intent of doing anything with it. We, therefore, can give it to somebody else who is going to make use of it.

Clause 23 agreed to

On Clause 24(1)

**Mr. MacKay:** I think it is worth putting on the record that this is probably one of the best parts of the Ordinance. The opportunity for equalization is certainly something that is a very worthwhile purpose for the Government to embark upon.

Clause 24(1) agreed to

On Clause 24(2)

**Mr. Falle:** I would like to ask the Minister, does this section exclude mining from legislation? I realize why mining roads cannot be in here, because we already have a capital assistance program for mining roads, but does this sort of state that mining opportunities, where maybe somebody would like to have a small mill or, something in that area, would the Government take that into consideration?

**Hon. Mr. Hanson:** There are already in place several Government programs that cover this possibility, and so therefore we do not want to duplicate a program that is now in place. As the Federal Government does look after this, we just will not go for it, at this time.

**Mr. Fleming:** Further to what the Member was saying, he was not asking about a road, and it definitely states just a road in here. I think the Honourable Member for Hootalinqua was really wanting to know whether a small business venture in the mining area might be eligible under this program, not the road to that business.

**Hon. Mr. Hanson:** Mr. Chairman, will you inform the Honourable Member for Flemingville that I heard the question quite plainly, and I answered it quite plainly.

**Mr. Penikett:** Mr. Chairman, who was it that the Honourable Member for Mayo wanted to have informed to that effect?

Clause 24(2) agreed to

On Clause 24(3)

Clause 24(3) agreed to

On Clause 24(4)

**Mr. MacKay:** The marginal note says, "Amount for new project".

I think the content of the paragraph is amount for "not a new project". Would this be a fair example, — an old highway lodge out at Canyon City, for example, has the Health Department come along and shut it down because it does not have a proper septic system, and could he or she apply to the Board for assistance in putting in the required septic system?

**Hon. Mr. Hanson:** Yes, Mr. Chairman. I am also very glad at this time to notice that my friend across the floor is starting to say "person" instead of "he" all the time. I was getting a little embarrassed by it.

**Mr. Byblow:** Just before you clear it, do (3) and (4) include infrastructure other than sewer and water, for example, power as may be required in a remote area? I am just curious as to the range of items that would qualify.

**Hon. Mr. Hanson:** Basically it is for sewer and water systems.

Clause 24(4) agreed to

Clause 24 agreed to

On Clause 25(1)

**Mr. MacKay:** I was a little confused on the initial day's debate; in fact, I think the Minister for Mayo might say I am confused all the time. In this particular instance, this interest rebate incentive scheme, does it apply solely to the capital projects? Is it conceivable that in under the terms of this Ordinance, in order to preserve jobs which seems to be one of the criteria that if somebody came and said that it is going to cost an extra \$100,000 to remain open all winter but I am going to employ five people because of that, would this be considered a project by the Board and therefore eligible for interest rebate assistance?

**Mr. Kent:** No, Sir.

I will ask it another way. The only projects that will qualify for this will be those which have involved the capital improvement of a business, or extension, or expansion, of an existing business.

**Mr. Kent:** Yes, sir.

**Mr. MacKay:** All right.

**Mr. Fleming:** I should ask the Minister again, but maybe I should just ask the witness properly, Mr. Chairman, with due respect. In an application for financial assistance under this, this is the interest rebate incentive, which is helping to pay the interest rates. If I were going into a business, such as mining, on a claim, and I wanted to buy two machines worth \$100,000 to go into that business, maybe I can go into it, and maybe I can not. That is the question I would like to have answered, yes or no.

**Hon. Mr. Hanson:** As I explained to the Member for Hootalinqua a while ago, there are federal programs in existence, at this time, to help the mining industry. We are not intending to duplicate federal programs, so we will not be assisting the mining industry.

**Mr. Fleming:** I thank the Member for that answer, definitely. That is just exactly what I want to know.

Clause 25(1) agreed to

On Clause 25(2)

Clause 25(2) agreed to

On Clause 25(3)

**Mr. MacKay:** Perhaps I could ask the Minister, or perhaps the witness, this is just a clause that makes sure that, in this particular instance, it is going to provide working capital? That is going to be the case. That is why you have the loan, and it is not intended to help any existing business.

**Hon. Mr. Hanson:** That is right, Mr. Chairman.

Clause 25(3) agreed to

On Clause 25(4)

Clause 25(4) agreed to

On Clause 25(5)

Clause 25(5) agreed to

On Clause 25(6)

**Mr. MacKay:** This section seems a little at odds with what I understood from the previous answer. It seem to contemplate making interest assistance available on something that is not a new project. My understanding was that it was only for new projects. Could the Minister explain that.

**Mr. Kent:** Basically the distinction between (5) and (6), which I think you are asking, is (6) is a new business altogether or an existing business with a new product. Number (6) would refer to an expansion of an existing business or perhaps a modernization. The philosophy behind it being the problems in starting up an expansion where you have already developed your staff, your expertise, your marketing is less and is starting up an entirely new business.

**Mr. MacKay:** So it is conceivable then, if I understand the witness

correctly that this would be where an existing business might fall apart perhaps it is in its second year of operation and finds that due to heavy interest costs from the new project which created more employment, they needed some interest assistance. Is this the kind of situation?

**Mr. Kent:** By that I mean, suppose an existing hotel was already in the business, if he wanted to add on an extra ten rooms or so, that would fall under Section (6). On the other hand, this would be a judgment of the Board, but if an existing hotel, suppose, wanted to develop convention facilities, that would fall under (5) because it is a new business, new product.

**Mr. MacKay:** Let me just read this section out so that the Minister—"Where the Commissioner is of the opinion that the loan in respect of which the interest is incurred for the making of an expenditure that is not a capital expenditure in relation to the new project..."

I guess, what is the definition of a "project"? The extension of an existing business is not a project, the start of a new business is a project. Is that correct?

**Mr. Kent:** Reading (6), I can understand your problem. That may be poorly worded. It implies that the assistance is available for non-capital. It means capital, but not a new project.

**Mr. Penikett:** Given that opinion by the witness, I wonder about a consideration to the Minister in proper legislation, if he would want to, in fact, set aside that Clause, perhaps have a look at it?

**Hon. Mr. Hanson:** We will set it aside until later.

**Mr. Chairman:** Is it your intention, Mr. Hanson, that (6) be set aside? Is that what you are saying?

**Hon. Mr. Hanson:** That is right, Mr. Chairman.

**Mr. Fleming:** Before you set it aside, Mr. Chairman, I would appreciate a chance for a remark on the section.

**Mr. Chairman:** Go ahead, Mr. Fleming.

**Mr. Fleming:** I find this section a little offensive, myself, due to the fact that I think, feel, that in the area, as the witness has just spoken, if this is the area that this section takes in a small viable business in Yukon today and they intend to expand and then their help is less than the help of a new business which nobody even knows whether it is going to go or is not going to go, other than what the program is put forth and the board thinks it will.

I take a little offence to that section being that way when there is half the help there that there is for somebody starting up a new venture that might not even be viable in the long run.

Clause 25(6) stood over.

On Clause 25(7)

Clause 25(7) agreed to

On Clause 25(8)

Clause 25(8) agreed to

On Clause 25(9)

**Mr. Byblow:** A point the witness referred to, I believe, the word 'renovation,' am I to assume that this is also a qualifying type of project under this section, not necessarily an expansion to an existing business, but changes or improvements within?

**Mr. Kent:** In concept, yes.

**Mr. Fleming:** I wonder if I could have a little explanation as to "in respect of interest paid or payable... in respect of an amount in excess of \$500,000". Is \$500,000 the amount of the interest that might be paid on the loan, or is the \$500,000 the amount of the loan you can get assistance for?

**Mr. Kent:** What this means is, assistance will be provided on a loan principle to a maximum of \$500,000. A man could out and borrow a million dollars. We would assist him on his first half million, and he would have to go his own for the last half.

Clause 25(9) agreed to

**Mr. MacKay:** The way I read that section, it is open to interpretation. Perhaps Section 9 could say, "in respect to a loan in excess of \$500,000." It is a little unclear. I have visions of White Pass coming and knocking on the door in this one. Half a million dollar subsidy, without interest.

**Mr. Chairman:** Perhaps if the section were stood over we could consider it later on. At this time we will leave Clause 25 and consider Clause 26.

Clause 25 stood over

On Clause 26

**Mr. Chairman:** We will consider all Clause 26 at this time.

On Clause 26

Clause 26 agreed to

On Clause 27

Clause 27 agreed to

**Mr. Chairman:** This House will recess until 7:30 this evening.

Recess

**The following Legislative Return was tabled April 21, 1980:**

80-3-8

Block land transfers for recreational lot subdivisions  
(Oral Question - April 2, 1980 - Page 119)

**The following Sessional Paper was tabled April 21, 1980:**

80-3-15

White Paper on Recreation Cottage Lot Management Policies.



**Whitehorse, Yukon****Monday, April 21, 1980 — 7:30 p.m.**

**Mr. Chairman:** I will call Committee of the Whole to order. We will be discussing Bill Number 32, a Business Development Assistance Ordinance. We had one clause stood over. I refer you now to that clause which was Clause 25.

**Hon. Mr. Hanson:** Mr. Chairman, Bill Number 32, entitled Business Development Assistance Ordinance, Clause 25(6) on Page 12. I would like to amend it by striking out the word "not" in Line 3 and by adding the words, "a project that is not" after the word "to" in Line 4.

**Mr. Chairman:** I have an amendment here moved by Mr. Hanson that Bill Number 32, entitled Business Development Assistance Ordinance be amended in Clause 25(6) at Page 12 by striking out the word "not" in Line 3 and by adding the words "a project that is not" after the word "to" in Line 4.

Amendment agreed to

**Hon. Mr. Hanson:** I move that Bill Number 32 entitled Business Development Assistance Ordinance be amended in Clause 25(9) on Page 13 by striking out the word "an" in Line 3 and substituting therefor the words, "a loan".

**Mr. Chairman:** It has been moved by Mr. Hanson that Bill Number 32, entitled Business Development Assistance Ordinance be amended in Clause 25(9) on Page 13 by striking out the word "an" in Line 3 and substituting therefor the words "a loan".

Amendment agreed to

**Hon. Mr. Hanson:** I move that Bill Number 2 entitled Business Development Assistance Ordinance be amended in Clause 26(1) at page 13 by striking out the words "subsection 4(2)" and substituting therefor the words "subsection 4(2) and 4(4)".

**Mr. Chairman:** It has been moved by Mr. Hanson that Bill Number 32 entitled Business Development Assistance Ordinance be amended in Clause 26(1) Subsection (e) at page 13 by striking out the words "subsection 4(2)" and substituting therefor "subsection 4(2) and 4(4)".

Amendment agreed to

**Hon. Mr. Hanson:** Mr. Chairman, further to that, Subsection 4(4) refers to the repayment requirements in the body of the Ordinance, complete in 4(4).

**Mr. Penikett:** I would like to ask the Minister, pourquoi il changes les mot?

**Hon. Mr. Hanson:** Vous ne savez pas lire.

**Mr. Penikett:** Merci, monsieur.

Clause 25 agreed to

On Clause 26

Clause 26 agreed to

**Mr. Fleming:** On a point of order, Mr. Chairman, I wonder, I thought we had another clause that was held over?

**Mr. Chairman:** No.

**Mr. Fleming:** In the area of 12(1), is there not something to that effect?

**Mr. Chairman:** No, I am sorry.

**Mr. Fleming:** Okay, thank you.

On Preamble

Preamble agreed to

On Title

Title agreed to

**Mr. Chairman:** I now declare that Bill Number 32, Business Development Assistance Ordinance, as amended, has cleared the Committee of the Whole.

**Hon. Mr. Graham:** Mr. Chairman, I move that Bill Number 32, Business Development Assistance Ordinance, be reported with amendment.

**Mr. Chairman:** It has been moved by Mr. Graham that Bill Number 32, Business Development Assistance Ordinance, be reported with amendment.

Motion agreed to

**Hon. Mr. Graham:** Mr. Chairman, I move that Mr. Speaker do now resume the Chair.

**Mr. Chairman:** It has been moved by Mr. Graham that Mr. Speaker do now resume the Chair.

Motion agreed to

Mr. Speaker resumes the Chair

**Mr. Speaker:** I will now call the House to Order. May we have a report from the Chairman of Committees?

**Mr. Lattin:** The Committee of the Whole has considered Bill Number 37, an Ordinance to Amend the Community Assistance Ordinance and directed me to report the same without amendment. Further, it has considered Bill Number 32, a Business Development Assistance Ordinance and directed me to report the same with amendment and beg leave to sit again.

**Mr. Speaker:** You have heard the report of the Committee. Do you agree?

**Some Members:** Agreed.

**Mr. Speaker:** Leave is so granted. May I have your further pleasure?

**Hon. Mr. Graham:** Mr. Speaker, I beg leave for unanimous consent of the Legislature to deal with Motion Number 15.

**Mr. MacKay:** A point of order, Mr. Speaker, the Motion that we have been handed out was referred to by number, I presume that it is the same Motion.

**Mr. Speaker:** The Chair does not yet have a copy. Perhaps the Chair could be given a copy of the Motion. Does the Honourable Member have unanimous consent?

**Some Members:** Agreed.

**ORDERS OF THE DAY****GOVERNMENT MOTIONS**

**Hon. Mr. Pearson:** Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that this House recommends to the Minister of Indian Affairs and Northern Development the appointment of the following persons to the Yukon Territorial Water Board for a three year term: Mr. John Scott, Mr. Terry Boylan, Mr. Keith Byram, Mr. Neil Olsen, Mr. Mike Stutter

and further recommends that Mr. John Scott be appointed as chairman for a period of one year.

**Mr. Speaker:** Perhaps I neglected to draw to the attention of the House that we have now returned to Orders of the Day pursuant to the wish of the House under Government Motions. It has been moved by the Honourable Government Leader, seconded by the Honourable Member for Hootalinqua, that this House recommend to the Minister of Indian Affairs and Northern Development the appointment of the following persons to the Yukon Territorial Water Board for a three year term: Mr. John Scott, Mr. Terry Boylan, Mr. Keith Byram, Mr. Neil Olsen and Mr. Mike Stutter, and further recommends that Mr. John Scott be appointed as Chairman for a period of one year.

Is there any debate?

**Mr. MacKay:** Mr. Speaker, I would like to state that while all these gentlemen are known to me and are very fine gentlemen and good businessmen in town and out of town, I regret that I will be unable to support the recommendation as I do believe that the Government has failed to recognize one significant interest sector of the Yukon population who would have been interested in having a representative on this Board. I refer to those who are most interested in the ecology and conservation of the Territory.

It has been brought to my attention that this group, headed by the conservation group, had asked for a representative. I feel it would not be unreasonable that out of the five nominees from the Yukon, that one at least has had that kind of interest in mind, particularly when at least one of the gentlemen has a very direct interest in the placer mining, which is the contrary side.

Without casting any aspersions at all on the characters of the people involved, I do believe that that kind of broader scope of Board would have been more useful because it is only proper for the Members on the other side to recognize that if you stifle legitimate opposition it becomes stronger. If you give legitimate opposition an opportunity to deal in the issues of which they are concerned, they thereby become more involved in solving the problem rather than creating the problem. It was regrettable that that was not considered. I will therefore be forced to vote against it.

**Mr. Penikett:** I, too, know some of these gentlemen who are proposed as members of the Water Board. Some of them I know better than others, however, I know them all to be respectable and conservative gentlemen, members of this community—I mean conservative in the small "c" sense. I have no doubt that they will discharge their responsibilities well.

However, we are no longer living in a day and age when the only people who can be admitted to that category of citizen are respectable and successful gentlemen. I think the Leader of the Opposition has referred to the fact that there is one interest group not rep-

While I think that is true, there are also no Indian people on this list, no women on this list, there is nobody you could call a consumer representative, there is nobody whom you could call a conservationist.

Now, I do know that there are several Federal Government representatives who clearly seem to take a different point of view towards water and fish than, say for example, placer miners, but I do not think that you should confuse, in any sense, Yukon conservationists with federal bureaucrats. While they may seem the same to some people sometimes, they are not necessarily the same thing at all.

It is, for that reason, I will express my reservations about these nominees, in the same manner as has been proposed by the Leader of the Liberal Party.

**Mr. Byblow:** I, too, would like to rise to note for the record that there are a couple of points that must be made with respect to the appointments chosen.

It is accepted that a number of persons from the Federal appointee section may very well represent the conservation interest. I do not cast any doubts on the capabilities on the persons named.

I must, for the record, make note of an appeal that I have been asked to present to the House, in respect of the Water Board, and that is with respect to what is going on in my own riding.

I believe there is something like a 20-year program presently in place, presently underway, to completely rework the environmental control operations of the mine in the area.

Several million dollars are going into the project which entails a considerable number of dams, dykes, reconstruction of the water system. It is a fairly sophisticated and technical operation, considerable ramifications are involved. I would make the appeal to this Government that for a complete and total understanding, there should be a representative on this board who could represent that aspect and this is not just simply to the sole parameters of my riding. I think the entire Ross River, Macmillan, North Canol area is undergoing a tremendous change in the next number of years with an issuance of a number of water use permits. I do fail to see an adequate representation to handle this area so for that reason I, too, have an objection to the present method of appointing.

**Mr. Fleming:** Mr. Speaker, I shall be following the route of my colleagues on this side of the House too, not because I feel there is anyone on this Board that is not competent to deal with any matter but for basically the same reason as they have spoken to before so there is no use elaborating on that.

I would say, however, to the Government on the other side of the House, that a motion of this type, and I resent the fact that it was brought to me today and the fact that I do not know everybody in the Yukon, maybe I would like to check out a few things before I voted for or against it. I think if I had had the opportunity, there is a possibility that I may have checked out a few things and said definitely I would vote for every person on here, with a little more knowledge as to who and what their credentials were.

I do resent the fact also that of course, it does not seem that some areas were represented in the Yukon; it is more or less a Board that has been picked for the ability, possibly, of the people themselves and that, I cannot condemn. However, because of the fact that it did not come to my attention which I think it should have before, and the other points that the Members have brought up, I will be also voting against the motion.

Thank you.

**Mr. Speaker:** Division has been called. Inasmuch as all Members appear to be in the House, Mr. Clerk, would you kindly poll the House.

**Hon. Mr. Pearson:** Agreed.

**Mr. Falle:** Agreed.

**Hon. Mrs. McCall:** Agreed.

**Mr. Tracey:** Agreed.

**Hon. Mr. Hanson:** Agreed.

**Mr. MacKay:** Disagreed.

**Hon. Mr. Graham:** Agreed.

**Mrs. McGuire:** Disagreed.

**Mr. Lattin:** Agreed.

**Mr. Penikett:** Disagreed.

**Mr. Hibberd:** Agreed.

**Mr. Fleming:** Disagreed.

**Mr. Njootil:** Agreed.

**Mr. Byblow:** Disagreed.

**Mr. Clerk:** Mr. Speaker, the results are nine yea and five nay.

Motion agreed to

**Mr. Clerk:** Item Number 1 standing in the name of the Honourable Mr. Pearson.

**Mr. Speaker:** Is the Honourable Member prepared to deal with Item 1 at this time?

**Hon. Mr. Pearson:** Very well, Mr. Speaker.

#### Motion Number 12

**Mr. Speaker:** It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Education, THAT the House, at its rising, do stand adjourned until it appears to the satisfaction of the Speaker, after consultation with Government Leader, that the public interest requires that the House shall meet;

THAT the Speaker give notice that he is so satisfied and thereupon the House shall meet at the time stated in such notice and shall transact its business as if it had been duly adjourned to that time; and

THAT, if the Speaker is unable to act, owing to illness or other causes, the Deputy Speaker shall act in his stead for the purpose of this Order.

Motion agreed to

**Mr. Speaker:** We will now proceed to Government Bills and Orders.

#### GOVERNMENT BILLS AND ORDERS

**Hon. Mr. Graham:** Again I beg the indulgence of the House for unanimous consent for third reading of Bills Number 32 and 37.

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

**Some Members:** Agreed.

**Mr. Speaker:** Proceed.

#### Bill Number 37: Third Reading

**Hon. Mr. Graham:** Mr. Speaker, I move, seconded by the Honourable Member for Tatchun, that Bill Number 37, An Ordinance to Amend the Community Assistance Ordinance, be now read a third time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Education, and seconded by the Honourable Member for Tatchun, that Bill Number 37 be now read a third time.

Motion agreed to

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

**Hon. Mr. Graham:** Yes, Mr. Speaker, I move, seconded by the Honourable Member for Tatchun, that Bill Number 37 be now passed and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Tatchun, that Bill Number 37 do now pass and that the title be as on the Order Paper.

Motion agreed to

**Mr. Speaker:** I shall declare that Bill Number 37 has passed this House.

#### Bill Number 32: Third Reading

**Hon. Mr. Hanson:** Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse North Centre, that Bill Number 32, Business Development Assistance Ordinance be now read a third time.

**Mr. Speaker:** It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Whitehorse North Centre, that Bill Number 32 be now read a third time.

Motion agreed to

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

**Hon. Mr. Hanson:** Yes, Mr. Speaker, I move, seconded by the Honourable Member for Whitehorse North Centre, that Bill Number 32 do now pass and that the title be as on the Order Paper.

**Mr. Speaker:** It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Whitehorse North Centre, that Bill Number 32 do now pass and that the title be as on the Order Paper.

Motion agreed to

**Mr. Speaker:** I shall declare that Bill Number 32 has passed this House.

May I have your further pleasure?

**Hon. Mr. Graham:** Mr. Speaker, I move, seconded by the Honourable Member for Hootalinqua, that the House do now adjourn.

**Mr. Speaker:** It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Hootalinqua, that the House do now adjourn.

Motion agreed to

**Mr. Speaker:** Pursuant to the wishes of the House, this House now stands in adjournment.

The House adjourned at 8:09 o'clock p.m.