

The Pukon Legislative Assembly

Number 22

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HANSARD

Tuesday, October 21, 1980 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake DEPUTY SPEAKER — Grafton Njootli, MLA, Old Crow

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 and Workers' Compensation Board |
| Hon. Dan Lang | Whitehorse Porter Creek East | Minister responsible for Renewable Resources, Tourism and Economic Development |
| Hon. Geoffrey Lattin | Whitehorse North Centre | 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 |

Government Members

(Progressive Conservative)

Al Falle Hootalinqua

Jack Hibberd Whitehorse South Centre

Peter Hanson Mayo

Grafton Njootli Old Crow

Donald Taylor Watson Lake

Howard Tracy Tatchun

Opposition Members

(Liberai)

lain MacKay Alice P. McGuire Whitehorse Riverdale South

Kluane

(New Democratic Party)

Tony Penikett

Whitehorse West

(Independent)

Maurice J. Byblow Robert Fleming Faro Campbell

Clerk Of Assembly Clerk Assistant (Legislative) Clerk Assistant (Administrative) Sergeant-at-Arms Editor of Hansard Patrick L. Michael Missy Parnell Jane Steele G.I. Cameron Lois Cameron

Whitehorse, Yukon Territory Tuesday, October 21, 1980

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

We will proceed at this time with Prayers.

Prayers

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

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any Documents or Returns for Tabling?

Reports of Standing or Special Committees?

Petitions?

Reading or Receiving of Petitions?

Introduction of Bills?

Notices of Motion for the Production of Papers?

Notices of Motion?

Are there any Statements by Ministers?

This then brings us to the Question Period. Are there any questions?

QUESTION PERIOD

Question re: Constitutional Position/Open Government

Mr. MacKay: My question is to the Government Leader on the subject of open government. In view of the well-established statements of the Government Leader to have as open a government as possible, can he tell us when he is planning to table the constitutional position papers and related matters, which were prepared by his government in anticipation of the First Ministers' Conference?

Hon. Mr. Pearson: Mr. Speaker, I have not been planning on tabling those papers at all. And, Mr. Speaker, that has nothing to do with the question of open government. I have made those papers public and I have no intention of tabling them in this House.

Mr. MacKay: I think Hansard might say something different, Mr. Speaker. However, will the Government Leader, also in the interests of open government, be prepared to give a commitment to this House, to publish at least annually, a five-year capital projection of spending of this Government, to assist in its deliberations?

Hon. Mr. Pearson: Mr. Speaker, we do budgeting in this Government under a fixed procedure. No, Mr. Speaker, I do not think I will make an undertaking to publish an annual, five-year program forecast. It just does not seem feasible to me.

Mr. MacKay: The Government Leader is batting about zero on open government, Mr. Speaker. The final question I would like to ask him, is that I understand that, for the purposes of their own information on the other side, transcripts of the CBC news broadcasts are handed out. Would the Government Leader be prepared to make these transcripts available to Members of the Opposition also?

Hon. Mr. Pearson: Mr. Speaker, I am not certain I follow exactly what the Honourable Member is referring to, but I will have a private conversation with him to determine exactly what it is he is asking me, and make a value judgment in respect to that.

Question re Federal Energy Policy/YTG Involvement

Mr. Penikett: I too have a question for the Government Leader. There was a report Monday noon that the Department of Indian Affairs and Northern Development is preparing policy papers on northern issues for submission and approval by the federal Cabinet. In view of the obvious importance of such policies on energy, transportation and political development in the Territory, what level of involvement in the policy development is being attempted or has been achieved by this Government?

Hon. Mr. Pearson: Mr. Speaker, we are actively engaged with the Government of Canada in discussions with respect to an energy policy for the North and more particularly for Yukon. Frankly Mr.

Speaker, it was news to me that this paper on position by the Federal Government is that imminent that it could be placed before Cabinet within the next two or three weeks. But we have been involved with the Federal Government with respect to an energy policy for the North.

With respect to transportion, it is a little more difficult to answer, Mr. Speaker, because our discussions with respect to transportation in the last six months have centered virtually entirely around the White Pass and Yukon Railway. I submit, Mr. Speaker, there are considerably more things that have to be worked on as well, with respect to transportation.

With respect to constitutional development, political evolution, whatever, Mr. Speaker, the last correspondence that the Minister has from us in this respect was the correspondence that was sent to the Honourable Jake Epp when he was Minister of Indian Affairs and Northern Development, about a year and a half ago.

Mr. Penikett: In view of the imminent submission of a policy to the federal Cabinet for northern Canada on the native land claims and aboriginal rights, can the Government Leader advise the House if this government has been consulted on, or has been party to, discussions with the federal government in the development of this particular policy?

Hon. Mr. Pearson: Mr. Speaker, I am sorry, I have to say "no" to that, again, save and except that we are party to the land claim negotiations that are going on, both with respect to COPE and with respect to the Yukon claim with the CYI.

We have been attempting to try and find out just exactly what the Minister was referring to, when he did make that statement. We have not been successful yet.

Mr. Penikett: In the unlikely event that the Minister in Ottawa might be interested in what we, in this House, have to say about these things, is it the Government Leader's intention, at some time in the near future, either by Ministerial Statement or by resolution for debate, to offer this House the chance to convey, by long distance, our feelings on some of these important subjects to the gentlemen in the distant Capital?

Hon. Mr. Pearson: Mr. Speaker I will give that some very serious consideration in the next twenty-four hours. It may well be a significant way to accomplish something that we have been having a difficult time accomplishing. We do know, for instance, that Hansard is read on a daily basis in Ottawa and it might be a way for us to get some messages to them.

Question re: Business Development Assistance Funding

Hon. Mr. Byblow: I have a question I would direct to the Minister of Economic Development. There have been indications and statements recently that funds for the purpose of administering the Business Development Assistance Ordinance have not come through yet. I would like to know why, when we are now six months into having arranged for this assistance, we are still without it.

Hon. Mr. Lang: Mr. Speaker, that is a good question, I would like to know too.

Mr. Byblow: I would then ask the Minister to indicate what developments have taken place in regard to negotiations for this funding.

Hon. Mr. Lang: Mr. Speaker, as far as I know, none. I will elaborate a little further, though. As we all know we passed the legislation with the understanding there would be a transfer of a small business loans fund, that was available through DIAND, to this particular program. As it turns out nothing has occurred. It would appear that possibly something could happen in January, but it is all up in the air, Mr. Speaker, and there is not much more that I can add to the topic that the Member has raised.

Mr. Byblow: I would then ask the Minister if he can state clearly that there were not to have been any funds directed for this purpose under the \$6 million tourism agreement.

Hon. Mr. Lang: Mr. Speaker, I take it that was a statement, not a question.

Mr. Byblow: It was a question.

Hon. Mr. Lang: Well, Mr. Speaker, perhaps he could rephrase it

Mr. Speaker: Yes, perhaps the Honourable Member could restate his question more clearly.

Mr. Byblow: I would ask the Minister if he can state clearly whether any of the funds under the \$6 million tourism subagreement were not intended for this purpose.

Hon. Mr. Lang: Mr. Speaker, the Member is confused. Quite obviously he has answered his own question. No, the Tourist Subsidiary Agreement is something separate and apart from the Business Development Fund. They are two separate programs.

Question re: Watson Lake Sewage Disposal

Mr. MacKay: My question is directed to the Minister of Municipal and Community Affairs. With respect to Watson Lake, Mr. Speaker, is the Minister aware that there is a fairly serious engineering problem and potential health problem, with respect to sewage disposal in Watson Lake?

Hon. Mr. Lattin: Yes, it has been drawn to my attention that there is a problem.

Mr. MacKay: Can the Minister tell the House what steps he is taking, to avoid the recurrence of sewage outfall leaking into the local Wye Lake, with the possibility of its contaminating the water supply?

Hon. Mr. Lattin: Mr. Speaker, at this particular time we are reviewing the situation.

Mr. MacKay: Is the Minister also reviewing the fact that the sewage lagoon that is in place there, does overflow, and quite often has to be drained off into land that has not been prepared for sewage outflow?

Hon. Mr. Lattin: Mr. Speaker, I think that will be part of our review; we will take that into consideration.

Question re: Liard Housing

Mr. Fleming: My question this afternoon — I would think, due to the change-over so many times in the Government — is to the Minister in charge of Yukon Housing Corporation. I wonder if the Minister is aware of the horrible problem that exists in the Liard housing situation, mostly in the area of the Native people's housing.

Hon. Mr. Lattin: No, Mr. Speaker, I am not aware of any outstanding problems there that are different from anywhere else, in the housing.

Mr. Fleming: Due to the fact that the Yukon Housing Corporation does build low-cost homes in areas, and that the Native people also have the same right as the white people to use these homes, why is it that the Liard situation is the way it is? Why does the Government, and especially the Yukon Housing Corporation, not see that there is a need in Liard for this type of thing?

Hon. Mr. Lang: Mr. Speaker, perhaps I can shed some light on this. I think the Member knows more than what he indicates he knows. First of all, that is a direct responsibility of the Department of Indian Affairs, not of the Yukon Housing Corporation.

Secondly, the allocation of dollars is made for various programs through the Department of Indian Affairs, and I gather, from my information, over the past number of years, priority has not been given to housing but it has been given to other capital programs, such as community halls and this type of thing.

So I would suggest, Mr. Speaker, that if the Member does have a problem in this respect — and I agree there is a problem — I think he should be letting our Member of Parliament, as well as the Minister of Indian Affairs, know that this particular area should be looked into. It is not the responsibility of this Legislature, Mr. Speaker.

Mr. Fleming: My question is almost the same as it was before. The Minister says that it is the responsibility of the federal government; they know about it, and I know about it, too. However, due to the fact that the Yukon Territorial Government is building homes, and that the native peoples are using those homes, why is there not some negotiation with the federal government in a case like this?

Hon. Mr. Lang: Mr. Speaker, there is obviously one area that could be used and that would be the program of Rural Remote Housing. If the Member wants to talk to his constituents, perhaps they could take the initiative to see whether something could be done.

Question re: White Pass and Yukon Route Lay-offs

Mr. Penikett: I have a question for the Government Leader, regarding lay-offs in the White Pass, Mr. Speaker, and my ex-

change with the Government Leader yesterday. In the interests of full financial disclosure, I wonder if the Government Leader would undertake to investigate and report back to the House the extent of lay-offs that have occurred, and are planned to occur, most particularly with the Rail Division of the White Pass company.

Hon. Mr. Pearson: Mr. Speaker, I will ask that particular question of White Pass, but it must be well understood that they are under no obligation to answer such a question from this Government.

Mr. Penikett: Given continued reports that Yukon jobs are being sacrificed, while American crews are doing Canadian work, will the Government Leader undertake to personally communicate with the appropriate federal authorities, to see what action can be taken to make sure that Canadian workers do Canadian work?

Hon. Mr. Pearson: Mr. Speaker, once again, it is completely outside the purview of this Government. We have made our concerns very well known to the Government of Canada, with respect to Canadian people doing Canadian work on that railway.

We feel, Mr. Speaker, that we have done everything that we can, to ensure that Canadian people continue to do Canadian work on that railway. We are also assured, Mr. Speaker, that we are in this whole discussion for that very reason. Once again, I can ask, but I would point out to the Honourable Member that he has just as much right to ask that very question of those very people, if he really is concerned.

Mr. Penikett: Believe me, I really do have a concern. Given the Government's interest in protecting Yukon jobs on the pipeline, one would hope that they have a similar interest in jobs on the railroad. Can I ask the Government Leader, then, if he will make this a matter of sufficient concern, that in attempting to get this information that he has committed himself to doing, he will do so soon, and report back to the House within a week if possible?

Hon. Mr. Pearson: Mr. Speaker, I have said that I will attempt to do it.

Question re: Alcohol Prevention and Rehabilitation

Mrs. McGuire: I have a question for the Honourable Minister of Human Resources. A few years ago the native organizations put together a proposal that involved an umbrella-type alcohol prevention and rehabilitation centre. The umbrella included the pooling of all funds from YTG concerning alcohol prevention, and all native organizations, which totalled up to quite a sum. The proposal was rejected by YTG at that time. Mr. Speaker, I ask the Minister, does she think the idea feasible, and would the Minister consider such a proposal now?

Hon. Mrs. McCall: Mr. Speaker, I think this would be a very appropriate time to consider something like that, because at this moment we are considering alternatives and additions to the alcohol program. I would be very interested in seeing this proposal.

Question re: Tourism Statistics

Mrs. McGuire: A new question, Mr. Speaker, for the Minister of Tourism. It is my understanding that the influx of tourists to the Yukon this year is down in numbers, although our tourist incentive dollars are up. Could the Minister shed some light on the reason for the decline in visiting tourists to the Yukon?

Hon. Mr. Lang: Mr. Speaker, overall it is my understanding that the amount of people visiting the Yukon is up. In some specific points, the figures are down, I think largely due to more and more tour buses and this type of thing, as opposed to people coming in individual vehicles. But overall, Mr. Speaker, to my knowledge, all indications point to the statistic that the tourism trade has increased this past year, and I have no reason to doubt that this will continue.

Question re: Alcohol Consumption in Yukon

Mr. Penikett: I have a question to the Minister responsible for the Yukon Liquor Corporation. The Canadian media have once again reported that Yukoners lead the country in liquor consumption. I would like to ask the Minister: given the great number of tourists who pass through this Territory every year, and that a large number of transient workers are employed in the summer months here, and given that these migrants often outnumber the year-round population, has the Minister any firm information as to how the real alcohol consumption of permanent Yukon residents compares with the Canadian consumption figures?

Hon. Mr. Lattin: Mr. Speaker, no, we have the overall figures but we have not broken them down, nor do I believe we have the

means to break them down to separate the transients and the tourists from the permanent people.?

Mr. Penikett: Can I just have the Minister then confirm that the Yukon Liquor Corporation has not, in recent years anyway, attempted to distinguish between the sales to permanent residents and the sales to visitors?

Hon. Mr. Lattin: Mr. Speaker, that is my understanding. They take the overall liquor sales figures.

Mr. Penikett: Has the Minister, in that case, considered monitoring the month-by-month sales in the liquor stores around the Territory, which presumably would give some indication as to the relative quantities of liquor consumed by our permanent residents that are here in the winter as opposed to our visitors in the summer?

Hon. Mr. Lattin: Mr. Speaker, we monitor the sales each month, but I have not reviewed the sales with the idea of separating the consumption of the tourists and migratory people from that of the permanent residents.

Question re: Rehabilitation Centre/Employment of Handicapped

Mr. MacKay: My question is to the Minister of Human Resources, whom I have been neglecting lately. The Minister stated yesterday in the House, Mr. Speaker, that the Rehab Centre can expect the YTG to cover its operations and maintenance budget. Will this assurance given extend to assisting in employment opportunities for the handicapped at the Rehab Centre?

Hon. Mrs. McCall: Mr. Speaker, the Rehabilitation Service Centre sees its primary responsibility as being the provision of rehabilitation and training. The employment of the disabled is a responsibility of the community.

Mr. MacKay: Recent events have indicated, Mr. Speaker, that a local company that employs handicapped people will have severe difficulty meeting its commitments to maintain these hirings. Can the Minister indicate if she is aware of that problem, and if this Government can take any steps to give assistance to these people?

Hon. Mrs. McCall: Mr. Speaker, you cannot force people to hire the disabled; it demands public awareness, and we work on that all the time and will emphasize it for the Year of the Disabled, next year. But it is up to the conscience of the community to hire disabled people, who are very capable of doing a large variety of work.

Mr. MacKay: To be very specific, Mr. Speaker, the company known as Redi Enterprises has run into problems with respect to present funding from the LEAP program, which appears no longer to be offering help. In that specific instance, will this Minister be looking toward getting that company some help, to assist them to continue to hire handicapped people?

Hon. Mrs. McCall: No, Mr. Speaker, the Government will not be assisting Redi Industries. Redi Industries has come to the end of their LEAP grant, and their program was reviewed by a management consultant team from Vancouver, who discovered that the operation has been losing significant amounts of money for months, and that, given the costs of production and transportation in the Yukon, it has not been a viable operation. I am sorry to see it close, but it has just not been worth continuing. It has been looked at very, very carefully.

Question re: Hansard Distribution

Mr. Penikett: I have another question for the Government Leader. Last April the Government Leader addressed the Yukon Conservative Party Convention. My question relates to an undertaking he gave to the delegates, which was, and I quote: "Provide all delegates with copies of Hansard and other Government publications". Since other Members of the Legislature are limited in the number of free copies of the Hansard they may receive and distribute, could the Government Leader tell the House if, since the last Session, there has been a change in Government policy in this regard?

Hon. Mr. Pearson: No, Mr. Speaker. And I doubt very seriously that I actually made that undertaking, knowing what I know. Mr. Speaker, we have rules in respect to *Hansard*, and I want to assure all Members that the rules apply to me the same as they do to them. I do not get any special dispensation or anything else.

Mr. Penikett: Since I was obviously not at the convention, but read the quote from a text of the Government Leader's speech, I would like to ask him then if, as a matter of policy, he accepts the principle that copies of *Hansard* should be made available at nominal charge to any member of the public who wishes to obtain

them?

Hon. Mr. Pearson: Yes, Mr. Speaker, and for the edification of the Honourable Members, they are, right now.

Mr. Speaker: Order please, I must advise the Honourable Member that the questions being raised at this time come under the purview of the Chair as a legislative matter. Perhaps the Honourable Member may care to continue.

Mr. Penikett: I appreciate that caution. I was simply addressing the question to the Government Leader concerning what appears to be a statement of new policy. Can the Government Leader tell the House, in connection with Government publications, if there is a general policy in this Government, in terms of making information available, as to whether the Government has some guidelines about what publications should be chargeable, what publications should be free, and what publications should have restricted access.

Hon. Mr. Pearson: Yes, Mr. Speaker, there are internal policies in place, particularly in respect to what publications should be charged for. Mr. Speaker, generally we have quite dramatically increased the cost of Government publications these past couple of years, simply because our costs have gone up so much. We are trying to reflect in those fees, the costs that do accrue to this Government, at least for the paper and the printing.

Question re: Medical Referrals

Hon. Mr. Byblow: Mr. Speaker, I have a couple of written questions for the Minister of Health and Human Resources.

- 1) What is the present Government policy with respect to financial assistance in cases of medical referrals from outlying communities to Whitehorse?
- 2) How many medical referrals have been made from the communities of Faro and Ross River for the dates October 1, 1979 to March 31, 1980 and April 1,1980 to Sepember 30, 1980?
- 3) What is the total cost of travel and/or accommodation assistance to referral patients for each of the above noted periods?

Question re: Employee Housing

Mr. Penikett: I have a question for the Minister responsible for the Yukon Housing Corporation. Mr. Speaker, the Minister, in a press release of June 30th of this year, informed us of a two year program to commit the phasing-in of the residency requirement recently brought into force by changes in the Employee Housing Plan Ordinance. While I applaud this program because it corrects some inequities which occurred under passage of the new law, I would like to ask the Minister if he could inform the House as to how these changes will be legally brought into effect; will it be by Order-in-Council, or will there be amendments to the legislation?

Hon, Mr. Lattin: I will take that question under advisement.

Mr. Penikett: While the Minister is seeking advice on this question, could he also establish if his officials have, since the establishment this summer of the \$60,000 limit on buy-backs, bought back any employee houses at a price greater than that?

Hon. Mr. Lattin: I will take that under consideration,too, Mr. Speaker.

Question re: Hunting in Kluane Game Sanctuary

Mr. MacKay: My question is to the Government Leader. He may want to pass it on to another Minister.

In respect to the Kluane Game Sanctuary, Mr. Speaker, has there been any further negotiation between the Kluane Tribal Brotherhood and this Government, since last April, about the use of the Kluane Game Sanctuary?

Hon. Mr. Pearson: Mr. Speaker, I and all other Members of the Cabinet were in Burwash about a month and a half ago. We had a very, very pleasant and extended meeting with the Kluane Tribal Brotherhood, and needless to say, Mr. Speaker, the question of future use of the Game Sanctuary was raised.

Mr. Speaker, I indicated to the Kluane Tribal Brotherhood that we, as a Government, were still very sympathetic to their concerns, and that should they have any suggestions to make to us, we would be more than happy to sit down with them at any time, with respect to the Kluane Game Sanctuary.

Mr. Speaker, I am assuming what the next question will be from the Honourable Member, we have not heard from them since, as a result of that meeting.

Mr. MacKay: Is it the Government's intention to refer this matter at any time to the land claims process, rather than negotiating bilaterally with the Kluane Tribal Brotherhood?

Hon. Mr. Pearson: Mr. Speaker, I am sure that it goes without saying. It is part of the land claims process.

Question re: Takhini Escarpment Erosion

Mr. Penikett: I have a question for the Minister of Municipal Affairs. I would like to ask the Minister, since I gave him notice of this question, if he is aware of the serious erosion problem in the Whitehorse escarpment below Dieppe Drive; if he is aware of it, has he had an occasion to do anything about it?

Hon. Mr. Lattin: Mr. Speaker, up until now, no, I have not had a chance to get any details on it, but I certainly will in the very near future.

Mr. Penikett: While all Members will understand that the matter is not strictly under Territorial jurisdiction, I would like to ask the Minister, when he is investigating the problem, if he would at least attempt to ensure that the situation is not aggravated by the present construction project, namely the alternate access route.

Hon. Mr. Lattin: Yes, I will, Mr. Speaker.

Question re: Land Development Costs

Mr. Byblow: I have a short written question for the Minister of Municipal and Community Affairs. Could the Minister provide the details of those land development costs used in determining re-sale value of properties where government is a prime developer, as in the Hillcrest subdivision?

Mr. Speaker: There being no further questions, we will proceed with the Order Paper to Government Bills and Orders.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS

Mr. Clerk: Second reading, Bill Number 58, standing in the name of the Honourable Mr. Pearson.

Bill Number 58: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Honourable Minister of Health and Human Resources, that Bill Number 58, Loan Agreement Ordinance, (1980) No. 1, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Health and Human Resources, that Bill Number 58 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, the Loan Agreement Ordinance (1980) No. 1, is a bill designed to replace the original Loan Agreement Ordinance (1980) No. 1, which was assented to on April 14th, 1980.

Mr. Speaker, there are basically two changes in this bill as compared with the other one. The first change is found in the wording at section 2(1), which will allow this Government to borrow from all sources, including the Government of Canada—and this is what makes it different from the other bill, Mr. Speaker—we are not restricted to borrowing from the Government of Canada.

The second change is that the total amount that we could potentially borrow is changed from \$15,700,000 to \$17,200,000. Mr. Speaker, this change is only necessary to reflect the more recent financial information that we have now, as opposed to last April.

I want to assure the House and all Members, Mr. Speaker, that the Yukon Act, at Section 19(3), is still in force, and any borrowings by this Government from anyone at all must still receive a Governor-in-Council approval from the Government of Canada. So, it is very important that we understand that this legislation is enabling legislation, but it is not giving us the permission to go out and borrow without getting further authority.

Mr. Speaker, this has become necessary for a multitude of reasons, the major one being that Canada would prefer to have us do this now, rather than continue to look to them for capital borrowed funds.

Mr. MacKay: Mr. Speaker, I shall be supporting the amendments that this Loan Agreement represents. I would like to perhaps elaborate a little bit about what I think this bill may be leading towards. While it is true that the Yukon Act is still in force, and still contains a section which does not allow this Government to unilaterally go out and borrow, nevertheless, this bill in itself, I think, represents a crack in the armour perhaps? A movement toward more financial responsibility on the part of this Government. Let me suggest to you that if the federal government continues to be short of funds — and it is probably a fair estimate —

then borrowings from the private sector may arise more and more. Just by the nature of the way these things work, the power of the Government of Canada, which was absolute before, in the sense that they could withhold the money if they did not agree with it, now is slightly less absolute. If this Government can show the means of repayment of that loan, and can go to the market and actually show where they can obtain that money, independently, I suggest that the Government of Canada will have a difficult time in saying "No", especially if the project is worthy, and is something that will return revenues back to this Government.

It would require some pretty lengthy explanations, as to why they did not feel that this type of borrowing was good. Naturally, all Liberals are associated with deficit budgeting, and I would not like to feel that I am advocating our swooping into a great deficit budget situtation, but what I am saying is that there are occasions—for example, a good one would be where the pipeline is actually, really, for sure going to happen, and we must very quickly move to put in place certain things that are necessary for that pipeline—wherein it is possible that this Government could then have such freedom of movement in terms of speed. They would be able to go to the Government of Canada and say, "We have arranged all this, we have to go out and we have to build this particular bypass, or road, or whatever. We have borrowed the funds to do that, and we know we are going to receive \$30,000,000 a year tax revenue and we know we can retire that debt".

I do not want to overblow it, but I do see some progress in financial responsibility, which I welcome, because it may well go hand in hand with what others term political responsibility.

Mr. Penikett: I, too, will be supporting this measure. I think it is also worth noting that it is another one of those small significant steps which we seem to be making, notwithstanding all the sound and fury of the debate about the bigger issues that surround us. I guess I have a personal hope that we have a need to exercise this power pretty soon after we adopt this measure, and I utter a silent prayer: may the mails be slow and may *Hansards* not get to Ottawa very quickly.

Motion agreed to

Mr. Clerk: Second Reading, Bill Number 57, standing in the name of the Honourable Mr. Lattin.

Bill Number 57: Second Reading

Hon. Mr. Lattin: Mr. Speaker, I move, seconded by the Honourable Member for Tatchun, that Bill Number 57, Municipal Ordinance be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Member for Tatchun that Bill Number 57 be now read a second time.

Hon. Mr. Lattin: Mr. Speaker, it is my pleasure as Minister of Municipal and Community Affairs to make a brief introductory statement on the *Municipal Ordinance*, which has just been presented for the Members' consideration.

During the recent meeting of the Association of Yukon Communities, the President of the Association made a statement that I would like to take the liberty of quoting. He referred to the new *Municipal Ordinance* as the "Constitution for Municipalities". In this period of intense concern about Canada's constitutional development, and when the seriousness of written constitution deliberations is being followed, so reference to a municipal constitution reflects the importance with which this bill is being reviewed in the communities.

This is a large, and for many, perhaps tedious, Bill, but during our consideration of the *Municipal Ordinance*, I urge all Members to retain the thought that this is indeed a constitution, and it is eagerly awaited by the various communities, as Canadians await the outcome of the current Canadian constitutional considerations.

Mr. Speaker, there is another parallel between this bill and constitutional questions, and that is the recognition that, just as we, in the Yukon Legislative Assembly, resent being dictated to from distant Ottawa, and feel that we, as the elected representatives of the people of Yukon, are capable of making responsible decisions about issues that affect Yukon, the elected representatives of municipalities have similar frustrations and aspirations. The Government of Yukon has recognized the validity of their desire for more autonomy in matters that are of local concern, and this bill provides municipalities with enhanced powers and privileges. And as we all know, Mr. Speaker, along with additional powers and privileges, come increased duties and responsibilities. Authority is provided for muncipalities to make decisions in a

number of new fields, but the municipalities will also have to be accountable to their electors for the decisions they make.

The actual detailed revisions to the present legislation will be brought to your attention as the bill is considered in Committee of the Whole, so I will not take up much time at this point to provide specific details. I would just like to emphasize the main principles on which the Government has based this legislation.

Mr. Speaker, the underlying principle of this Bill is to change the thrust of the *Municipal Ordinance* to ensure that the legislation becomes enabling legislation. Until now, the *Municipal Ordinance* has been quite restrictive, and municipalities have legal advice to the effect that, if the authority for a specific action is not clearly spelled out in the legislation, then authority does not exist.

This type of restrictive legislation has resulted in frequent frustrations at both levels of government, when the Territory and the municipality agree on the necessity for some action, but are unable to proceed, due to the fact that the ordinance does not clearly deal with that particular item.

This has resulted in a constant stream of minor amendments to the ordinance, which has had the net effect of confusing most of the public about what the law is, on any given issue at any given time.

The new ordinance is designed to alleviate that frustration and to provide a degree of flexibility, warmly welcomed by the municipalities when the concept was proposed. I hasten to add, Mr. Speaker, before the critics can make accusations about the government letting municipalities get out of control, that in key areas such as finance and community planning, the government has ensured that there is sufficient control to safeguard the interest of individuals against arbitrary action by municipal government.

Another key feature of the new ordinance is to expand the extent of municipal government in Yukon. The government recognizes very clearly the frustrations that elected officials feel, when they are given a mandate by the constituents to represent their concerns, and yet have so many restrictions on their actions that they are unable to adequately represent the people who elect them.

Accordingly, the local improvement district concept, which results in elected local bodies with greatly restricted powers, is being eliminated, and those communities who want to assume a more responsible role will be given the opportunity to do so.

Also, the communities which are currently unorganized will be offered an opportunity to develop an embryonic form of local government, by the creation of hamlets under this new ordinance. This should provide training and experience in local government which will foster the creation of future municipalities.

A third principle, Mr. Speaker, that the legislation is based on, is an attempt to de-regulate the process of municipal legislation as much as possible. At the present time, there are a number of ordinances all dealing with municipal matters. Anyone who attempts to discover the legal requirements for a specific item finds himself having to review several ordinances to determine what is actually required.

By consolidating the various ordinances, the Government has been able to provide one basic text that will deal with all municipal matters, and has been able to delete repetition and inconsistencies that have occurred through the proliferation of legislation. We feel that this will be of considerable assistance to communities working with the legislation.

Members will also note the creation of a Yukon Municipal Board, with input on its membership from the association of Yukon communities. Mr. Speaker, this is another basic principle that the government has based its legislation on. The government has endeavoured to open up the decision-making process, and to reduce the suspicion that government decisions always reflect self-interests of the government, and not what is in the best interests of the public.

To alleviate such concerns, the Yukon Municipal Board has been created, to act as an arbitrator and appeal board in several crucial areas, such as planning and zoning. Mr. Speaker, the creation of the Municipal Board is of some concern, and we believe it is a good concept, but we are open to any suggestions that might improve it.

The principle of providing increased public disclosures is also demonstrated, by being willing to provide requirements in legislation that make it mandatory for government to release information on which it based its actions.

Mr. Speaker, one example of how this will work is the requirement that, where an administrator is appointed for a municipality, the reasons for such an appointment should be openly and publicly

reported in the Legislative Assembly. I am proud to be able to point towards the Yukon Government's efforts to increase public disclosure. It is a concept much discussed in other jurisdictions, but while most other jurisdictions continue to debate the means of implementing more access to information, Yukon is putting principles into practice, and the *Municipal Ordinance* reflects that.

The veil of secrecy that surrounds so much of government's operation was also lifted by the process which our Government has followed in developing this legislation. Recently, the media have reported that some Members of the Opposition have been critical of the creation of legislation in secrecy, and have vowed to delay it for proper public consideration. These statements were made before they even had a chance to discover what it is they are recommending needs public scrutiny.

Both I, as the Minister of Municipal and Community Affairs, and my predecessor in this position, have held extremely productive meetings, on the principles of this bill, with the elected representatives of all organized Yukon communities. My officials were also instructed to work closely with the committee established by the Association of Yukon Communities, and I am confident that this ordinance received as much public consideration as was acceptable for draft legislation that had not yet been tabled in the Legislative Assembly.

Mr. Speaker, I can assure the Members of the Opposition who have criticized the lack of public involvement that there was as much public input on this bill as there has ever been on any piece of legislation, and the input came from those individuals who were elected by their communities to speak for them on issues of local concern.

We in the Legislative Assembly who have received our constitutional trusts to consider matters of broader concerns should now, in turn, assume our responsibility and consider the bill which is being presented.

Mr. Speaker, the detailed review of this legislation will provide us all with considerable work, but I am sure that all Members, expecially those who have served at the municipal level, will support the basic principles that this ordinance contains, and we will eagerly go forward with consideration of this legislation, to ensure that those principles are enshrined in legislation.

Applause

Mr. MacKay: I appreciate the introductory clapping and I hope there will be some more at the end of the speech.

Mr. Speaker, when I first received my copy of this bill last Thursday, I realized that it was quite an enormous task, in the short time available, to be able to realistically assess it and come up with a reasonable approach to it. I have done my best to do that in the short time that has been available to us, among the other many busy things we are involved in at this time. So I took a look at the whole structure of the ordinance and tried to anticipate some of the remarks that were made here today about what was proposed, and I tried to be quite objective about it, I think. So I am not going to be yelling and screaming, you will be relieved to hear, but I can point out some areas where I think there are problems in the bill.

The proponents of the bill say that it moves power to the people, and that new muncipalities will be formed with elected officials and tax-raising powers under the *Taxation Ordinance*. In addition, we are going to have a new board created to supervise these municipalities which will be formed, with one of its main purposes being to try and eliminate the perception that the central government makes bad decisions based upon its requirements, rather than for the good of the people. I think I am pretty closely quoting what the Minister just said. I think that that sentiment is echoed in some of the discussion papers, that the creation of this board would act as a go-between, an insulating factor from the direct political decision-making of the YTG and the direct concerns of the municipalities. So that is what the proponents are saying is in this bill.

I found as I went through the bill that it was very comprehensive; it did, indeed, bring together other pieces of legislation; it completely supersedes the L.I.D. legislation, and it is quite detailed in its approach.

I think that one of the remarks that the Minister made in the course of his opening statement was quite illuminating in this respect. He was saying that the legislation we had was quite often subject to legal opinions, where municipal lawyers would put forward propositions that made it seem somewhat difficult for municipalities to operate within the confines of the existing legislation. I think that is probably true.

I think it also eliminates something of the problem I see with the

whole ordinance, and that is that very possibly it may not cause a great problem to a fairly sophisticated operation such as the City of Whitehorse, which does have legal opinion at its beck and call; however, I am wondering how it is going to fit when it gets out to Watson Lake or Haines Junction, the smaller communities. That is where I think this bill really runs into very major problems.

I think that just the sheer size of the bill, and the complexity of it, is going to make it difficult for communities of limited numbers to be able to operate within all the powers that are being given to them. While it may be said that they can only exercise as many powers as they want to, nevertheless there are obligations with this bill, that apply to every municipality, that they will have to bear up under, and they are pretty onerous obligations.

I think that setting numbers, as has been done with respect to population, and defining three different kinds of municipalities, that is villages, towns and cities, is quite a strange way of going about setting up municipalities. But it really is not as strange as the fact that when you get into the ordinance, Mr. Speaker, you find that really there is little difference when you get right down to it, between the powers that will be conferred upon a city, and the powers that will be conferred upon a village.

I appreciate the thrust of the Government to give these powers to the people. I am concerned about the willingness of the people in the small communities to accept all these responsibilities. Certainly financial considerations are the basis of all these concerns,

We received yesterday, Mr. Speaker, a green paper on the Municipal Aid Ordinance. A green paper, Mr. Speaker, in my understanding, is not a statement of this Government's opinion as to where it is going, it is only a statement as a working paper — some ideas to throw out, to kick around, to discuss. So it really does not tell us, or give me guidance at any rate, as to what the municipalities can expect under this ordinance. I would have expected, and strongly suggested, that, if we are to pass this bill in this Session, we should have had a White Paper from the Government to say what its intentions are, because it can quite legitimately come back next spring and say, "We looked it all over and the green paper does not work. I know we passed this Legislation based upon some of the thoughts in there, but sorry, folks, it is all off."

It leaves a real credibility gap, Mr. Speaker, when it comes to justifying the passage of this act to these new municipalities, when, in fact, we have no idea what the ultimate opinion of this Government is, with respect to funding.

I think the ordinance will mean an increase in the amount of Government to the average citizen in the Territory. I wonder about that, as to whether or not we are ready for another board. This Yukon Municipalities Board may wind up being a fourth layer of Government. It may develop a personality of its own. It is very hard to set up an independent, a semi-independent, or totally dependent board, and I think that the Government has tried to set up a semi-independent board.

Semi-independent boards do not always do as they are told, and they may develop opinions of their own, and wind up becoming another layer of Government through which decision-making has to go. In a Territory the size of this, we do not need more difficulties in getting Government opinions and Government decisions, we need less.

I think that the Government listens to the people as it goes around on its tours in this Territory, and I think these tours are very good, because they do give you a first hand opportunity to hear the grievances of people outside of Whitehorse. I am quite sure you hear them clearly. It seems to me the grievances they have center around their dislike of Whitehorse, for a number of different reasons, and I am not talking about the weather, either. They have the perception that Whitehorse has all the gravy: "You have paved streets, you have sidewalks, you have street lights, you have a transit system. You have all these things; you have parks. You have all these things; how come, when I am sitting in Watson Lake, Mayo or Haines Junction, I do not have these things?"

I think that the Government's perception is that perhaps there is a problem. How do they get around this problem? People are also saying, though, that there is waste in government, money being poured into things that the people do not agree with. They think decisions are being made in Whitehorse, for the outside communities, that they do not agree with. They see inefficiency and insensitivity on the part of the government.

So, I truly believe that one of the basic thoughts behind bringing this ordinance forward was to try and remove that insensitivity, to try and make the people in the outlying communities feel that they have an influence on the decisions that affect them in their daily lives.

I think, in that respect, it does quite well in its philosophical approach, but I am concerned that, without the financial backing, all we are going to do is create even more frustration. We are going to put it in the hands of the people out there, give them all the responsibility, but we are not going to give them the power to pursue that responsibility. I cannot think of a quicker way of killing off a democratic system than that.

I think all of us can point to a sense of frustration that comes from being a MLA in Yukon, dependent upon a central government in Ottawa for funding. We have to go on the hope, year by year, day by day, that the funding will continue. There are certain things that we would like to do here, that we cannot do because we have no funding.

So, in a sense, you have to look upon this "constitution", as the Minister referred to it, becoming the *Yukon Act* to all the municipalities, and will they experience the same frustrations of responsibility without power that we have seen ourselves in this House? I am rather skeptical about the ordinance, in its ability to deliver the power as well as the responsibility.

On certain points I am more than skeptical. There is one point of principle that I think I should indicate now that I am totally opposed to, and that is in respect to the voting on money matters that is permitted under this Ordinance. In essence, what has happened is that the tenants of the municipalities, people who live without owning property but nevertheless pay rent, will not have any franchise when it comes to voting on money matters. An individual who owns property will have a vote, and if that individual is fortunate enough to own one, two, or three corporations, these corporations may have a vote also.

So, in essence, the whole pendulum of democracy is swung right out of sight. As far as I am concerned, it should be one man, one vote. When you are a tenant, included in your rental payment every month is a portion that goes to pay for the property taxes, so you have a stake in what happens to the property taxes, as a tenant. To deny that is to deny basic economics.

Often people who are tenants are simply just not rich enough, or wealthy enough, to be able to afford to buy their own homes. They will remain in that position and have no say in what kind of property tax structure they are going to have to live with. They may want to vote against some of these things too, because they cannot afford to pay the higher property tax bills that they would incur if they wanted to buy a house, Mr. Speaker, and here they are being disenfranchised in that area. But to add insult to injury — and I promised I would not rave, so I will not get too bad — we are giving corporations a vote. This will double the clout of the rich at the expense of the poor. I am totally opposed to that.

There are some sections in the ordinance, Mr. Speaker, that are, I think, a little tough. They are mandatory, or they give some powers to local councils that I think nobody should have. An example I might give on that is where a business licence can be denied, for what seem to me to be fairly loose reasons. It seems to me that if you are prepared to set up in business, and apply for a licence, you should not be denied it based on some municipal official's opinion. You should be able to get a business licence if you are prepared to go into business.

Another point which is quite fundamental I think, is the ward system which is being introduced. Now, the ward system is not a brand new idea. It has been advocated by other Members of this House in the past, one of whom was a very staunch Liberal.

He lives in Victoria now, Mr. Speaker.

The approach to a ward system, I think is a good idea, but the execution of that idea in this ordinance, I think, is poorly done. I think that there is no plan as to how to set up a ward system. It says the council may set up a ward system. But what if the council says that this part of the town is going to one ward and elect five councillors, and this part of the town over here belongs to another ward and will elect one? All you have is a perfectly gerrymandered situation. Not that I think that anybody would deliberately set out to do that, but you know how these things can happen.

I have been fairly mild in my criticisms now, but I would like to draw the attention of the House to what I think is an extremely fundamental point that we have to consider before passing this ordinance. One which I hope those on the other side will not look upon as a lightly brought-up subject.

Mr. Speaker, all of us in this House were elected two years ago. And we each had different promises, but there is one thing upon which every one of us agreed: that there should be a one-government system in the Yukon Territory. I think we can sit here united on that and say there should be a one government system. We have a responsibility, Mr. Speaker, I feel, to make sure that that one-government system prevails, and is delivered to all of the people of the Yukon. So when I heard the Minister say at the outset that this is a "Constitution for Municipalities", quoting the president of municipalities, I agree with him. It is a very important constitutional matter that we are talking about here. And that very matter is the subject on the table in Land Claims. How are we going to achieve, what is the desired goal of all of us, a-one government system?

One of the ways that you do that is through the *Municipal Ordinance*. That is probably one of the most important and direct ways in which you can ensure that you are going to have a one-government system.

So I took a look, Mr. Speaker, at the ordinance, from that point of view; as to how it would affect all of the people of the Yukon, including those who live in what we presently might call Indian Villages, which may qualify as municipalities under this ordinance. Frankly, I did not see an awful lot wrong with it, from that point of view. But I think that is the substance of it. I think we have always to consider the process of it as well. It is a very important part of our duties as politicians, to ensure that the process by which we achieve our ends does not create sufficient imbalances and road-blockages that we are frustrated from getting to the end by the very process along which we go to it. Let me quote from an article, to show what problems we may have in this regard.

This is an article from the Alberta Report. September 19th, 1980, Mr. Speaker, in which there are a few quotations, one of which is from a letter written by an NWT government lawyer, Robert J. Pugh. He is discussing the question of the effect of the Baker Lake Court decision upon municipal government in the NWT. It happens to be directly on point. He says that there is an inescapable legal conclusion that "If it is the case" — and this case was where the Baker Lake Indian people said they had certain aboriginal rights

Some Member: Eskimo.

Mr. MacKay: Eskimo people, thank you. The Baker Lake Eskimo people had certain aboriginal rights, some of which were denied by the court in the case, others of which seemed to be confirmed. And the case created the situation where, and I quote:

"Land reserved for Indians in Baker Lake, then it is probably the case that the Hamlet of Baker Lake is a void construction (i.e., does not in fact legally exist) of the Council of the Northwest Territories and its delegate, the Commissioner."

That is the problem that we have to face with this Municipal Ordinance. I would dearly love to think, Mr. Speaker, that this Municipal Ordinance will serve all of the people of the Yukon. That it will in fact be accepted by all of the people of the Yukon, and that those people of the Yukon who have some other presently undefined legal rights that are presently under negotiation, those people will come forward, or will be asked to come forward by this Government, will be consulted, will be asked if they accept this; do they have some constructive suggestions; will it become their law as well as our law?

I think that that is a terrific responsibility that we have to face up to in this Government. If we just continue to legislate for two-thirds of the population, and the other one-third keep on looking to Ottawa, we have a long term problem that will not solved by Land Claims, Land Claims has to be an all-encompassing settlement — I have heard it from the other side of the floor as well as this side — it has to be done well, it has to be done in such a way that we can live in harmony in this Territory.

I am not saying there is anything objectionable, per se, in this ordinance, to that objective. But I am saying that at least we should be getting the green light, or at least the yellow light, from the Land Claims process with this type of legislation, because you are involved in that process, you have negotiators at the table, I do not know what you are saying there, I do not know what the other side is saying, it is completely secret ...

Mr. Speaker: Order please, I believe the Honourable Members ought to be speaking through the Chair, and the record would seem to indicate that I am being addressed in this matter as doing something or not doing something. Perhaps the Honourable Member could direct his comments to whomever they are to be directed

Mr. MacKay: Thank you, Mr. Speaker, I apologize.

The Government is sitting at the Land Claims table negotiating, in secret, as I think it should be because these things are sensitive, but I want to see the Government, Mr. Speaker, be able to say to us at the end of this debate here, "Yes, we believe there is passive acceptance for this way of running a municipality throughout the Yukon. We do not think there is any substantial opposition coming from any particular quarter, from any particular group who have any particular special legal rights which could allow them to use this law, saying it is totally unacceptable and they want to opt out. I think that is the danger: pass it through without any of that kind of assurance, Mr. Speaker, and we can wind up with a divided House, not only in this House, but right throughout the Yukon.

Mr. Penikett: The Leader of the Liberals has left his claymore at home today. I think it is worth noting, Mr. Speaker, that the President of the Association of Yukon Communities is in our gallery, and I think he should be welcomed, since he is claiming paternity in this suit, or at least partial paternity.

I would also like to congratulate the Minister on his fine speech to his first major piece of legislation, this new bill. I want to say to the Minister, going back to his days as a back-bencher, I still have great affection, and found him extremely cooperative in dealing with my constituency problems.

Mr. Speaker, I want you to know, as all Members of this House know, that some of my best friends are Conservatives. This is a habit that goes back to my student days, when I shared rooms with a number of people of all political persuasions. In those days, the cook among us was the Tory and so part of my regular diet at that time was something known as Tory stew.

It used to start on Sunday as something fairly unpretentious, regular stew, and day by day throughout the week ingredients were added to it, until, come Saturday, it was a great big black pot of bubbling, totally anonymous ingredients. And every day through the week we would eat something from this pot, and add a little something to it, and it was for much of my time our daily meal. And of course as I said, we called it Tory stew. Frankly, Mr. Speaker, it was a mess. But if you are hungry enough, as the saying goes, you will eat anything. I must say that this legislation reminds me of Tory stew.

If there were ever a case, Mr. Speaker, of too many cooks spoiling the broth, I think this bill may be it. Among the many fingers we have had in this pot, I gather there have been very expensive consultants who have been hired and then finished with, and then their work looked at and then rejected, and numerous bureaucrats at the territorial and municipal level. We have had municipal politicians looking at it, territorial politicians, ex-party leaders and future party leaders. We have had all sorts of hungry people who have had a hand in this heavy dish.

I must say, Mr. Speaker, that perhaps it takes a person who has been on a diet for a while to see this thing for what it really is. It looks good, it probably will not kill you, but I must say there is still a bit of mystery as to what is in it. I can see that there is a bit of this and a bit of that, but I do not really know what it all adds up to yet.

I must say that I listened with attention to some of the Minister's descriptions of its contents, and some of the parts that he described completely eluded my spoon. I asked myself when I was reading this, over the weekend, 250 pages, longer than a Harold Robbins novel, what is the principle in this bill? I am afraid, Mr. Speaker, I could not tell. Lost in the lumps and the goo, there are some good bits to whet the appetites of municipal politicians and the mayors and managers and even Municipal Affairs employees. What I am worried about is the whole thing may give us in the Territory a bit of a bellyache.

Now obviously, Mr. Speaker, it would take a full committee of those who cooked this up to describe it in detail, and I do not think it is possible for us to dissect it today so soon after lunch. What I do want to talk about are some of the larger identifiable pieces — municipal board proposals, the changes in the municipal structures, and the question of money.

Perhaps the largest glob that I can see in this concoction is the question of the Municipal Board. Who are we to blame for this proposal? The background paper provided by the Department of Municipal Affairs, and for this I must say I thank the Minister, said it arose from discussions between the Territorial Government and the Association of Yukon Communities. One of the expectations of this latter party is that the Board will eliminate a great deal of political pressure that it carries in the areas it will be responsible for.

Mr. Speaker, one might wonder why you would want to eliminate

political pressure. It seems to me the only people who want to eliminate political pressure are either dictators or civil servants. What we here should be concerned with, I submit, is maximizing political pressure, providing the most appropriate and open avenues for its expression, and anything that impedes political expression we should regard both as undemocratic and with great deal of suspicion.

Mr. Speaker, that was the first clue I had that perhaps this municipal board might cause me some indigestion.

It also mentions here in the background paper that the Association of Yukon Communities wanted the Board to be "subject to the control of the Commissioner", but that this Board was also supposed to be "semi-independent".

Now, Mr. Speaker, I do not know exactly what "semi-independent" is. Perhaps that means that you are not married, you are not divorced, you are simply separated. Perhaps you even have dates with your ex-spouse. As I said, the Association also says that the Board should be subject to the control of the Commissioner. I do not know where the Association has been for the last few months, but I figure someone in this government ought to have told them that the Commissioner does not figure very highly in the hierarchy of things around here since last October, but that, perhaps, is besides the point.

It goes on to say that this Board is to operate on an "advisory basis". Remember, this is a "semi-independent" Board "reporting" to the Commissioner and, furthermore, it is going to be "advisory". It is suggested that its recommendations be submitted to the Commissioner. Now, I would like to ask a question, and I would like all Members to dwell on this: what in heaven's name is the point of such a procedure?

Surely, "the Commissioner" means the "Minister" or "Cabinet". If so, why does the Minister need a semi-independent advisor to report to him?

It then goes on to suggest that there is an argument for this Board having a quasi-judicial authority, a quasi-judicial nature, and have more authority. So, Mr. Speaker, it is going to be "semi-independent"; it is going to "report" to the Commissioner, it is going to be "quasi-judicial" and have more "authority".

What kind of creature is this? Is it legislative? Judicial? Administrative? The paper says, "It was proposed that, in the creation of a municipal board, this would remove appeals in the political arena, and the board would be conceived of as being less biased than either the municipal council or the Commissioner."

Good grief! What are they thinking of? Why would you want to remove appeals from the political arena? If you really wanted to do that you would take them to a judge.

Now, this ''semi-independent'', ''advisory'', ''quasi-judicial''board is supposed to have some real authority. Why? Well, the background paper argues that in order for it to have some "purpose" it would have to have authority. We have not yet established why it has a purpose, but let us agree that if it is to have some purpose it ought to have some authority.

It goes on to say that it is intended that the members of it will become highly experienced in highly specialized fields of municipal operations. Well, gee whiz, Mr. Speaker, I thought that was what the people in Municipal Affairs were supposed to be doing. I thought that was what the bureaucrats in City Hall were supposed to do. I thought that was what the town managers were supposed to do. I thought that was what, with the best will in the world, with a little patience, with a little experience, the municipal politicians were supposed to do.

Is this proposal saying that those values and that kind of expertise does not exist in the bureaucracies; does not exist in the municipalities or in the Territory? Who would dare say such a thing?

It then goes on to say that the municipal board is provided with the normal powers of a board to establish its own procedures, but it has additional authority to function as a quasi-judicial board, with full authority of a board of inquiry to obtain the advice and the assistance of experts it requires.

So what have we got here? We now have got, in addition to the other functions, a legislative function — power over its own procedures. It also has an investigative function and judicial function and it is a body. It is a body. Here is a body which is going to take over judicial, legislative and administrative functions for two levels of government, and simultaneously create a new level of government into the bargain.

What an outrageous proposal, Mr. Speaker. But there is more.

Then the paper proposes all the other things that the body is supposed to do. It says that it is to hear and determine applications to revise muncipal boundaries. It is to review and approve offical community plans. It is to act as an appeal body over disputes. It is to conduct independent impartial inquiries, when the Commissioner appoints an Administrator for specific purposes.

Mr. Speaker, these are all things that a Minister of Municipal Affairs should be doing in a jurisdiction this size. God forbid, these are the things that the Minister responsible for Municipal Affairs performs in a state as large as the United Kingdom. These are things the Minister has a responsibility for doing. Heaven forbid, Mr. Speaker, the Minister in this Yukon Territory of 25,000 or so people is not so burdened, is not so pressured, I hope, is not under such a terrible strain from his onerous duties, that he does not have the time and the patience and the ability to carry out these reasonable functions of the senior level of Government, the Government which is supposed to supervise the municipalities according to our constitutional tradtions.

Surely, what is proposed here, Mr. Speaker, quite clearly and simply, is a new level of Government, and Yukoners have a right to ask the basic question, "Do we really need it?" I cannot speak for all Yukoners, Mr. Speaker, but I can speak for myself and I can tell you for myself, "No, no, no. This is one thing we do not need."

This is a model borrowed from Ontario. It is something designed for a community of nine million people, and it is not necessarily right for a community of 20-some thousand. Constitutionally, Mr. Speaker, it raises all sorts of problems. This municipal board structure, Mr. Speaker, is a terrible thing.

I have talked before in this House about why boards were created in Yukon. I think they were designed in the Territory to give the previous Commissioners an arms'-length relationship with certain tough, but minor decisions that have to be made; decisions like who got Liquor Licences and who got transportation licences. They were a way of avoiding responsibility, or at least avoiding the political liabilities of tough decisions. It is one thing for bureaucrats, for appointed people to want to avoid these kind of responsibilities. It is another thing for politicians to want to do it. And I hate to see that, with all our miniscule undeveloped powers that we have got; with the limited responsibilities of a Government this size, in a jurisdiction this small, that the Cabinet and the Government, the Minister in particular, should be copping out of their responsibilities; avoiding the tough duty of making responsible decisions is a terrible thing to see. People should know who is going to make the decision, and they should know who to blame or who to thank for making it. And when it comes to supervising or vetoing or approving or disapproving decisions made by municipal bodies, where they encroach on areas of territorial responsibility or whatever, or if they affect the territorial good, it should be the Minister who decides. The Minister has got to decide to weigh the community needs; to recognize the demands of a particular community in the territory. But if he decides that the general good of the Territory must overrule the view or the need of that particular community, then he must take that decision. He must be able to come here in the House and defend it as the previous Minister has done on a number of occasions and former Ministers have done. He must defend it before the people of this community, and he must stand or fall on his decisions, on his wisdom, on his record. Good God, Mr. Speaker, we do not want a board in the way, we do not want a board interfering in the process. We do not want a board getting between the public and the politicians. We have enough of them, too many of

Mr. Speaker, I fear that this creation is one of those compromises, one of those products of a Committee that set out to design a horse and ended up with a camel. There is no logic, no singular design, no clarity of thought behind this proposal, and I think it is highly inappropriate. What is our reality? How many organized communities do we have? A dozen? If that. We do not have several thousand municipalities like Saskatchewan or Ontario. How do we design a local government structure to appropriately deal with the realities here and now?

Why the arbitrary division into cities, towns, villages and hamlets? Where do most of the people live in this Territory? They live in the City of Whitehorse, a community which has two-thirds of the population of the whole Territory, and therefore ought to have a special relationship with the Yukon Territory. What is the appropriate kind of government relationship between the Territory and its capital city? Between the Territory and the city which is capable of administering all sorts of programs, perhaps more efficiently than the senior government? Surely it is a special

"Capital City of Whitehorse Charter", a special bill created for the City of Whitehorse, as many states of the United States have with their capital cities, as many major municipalities the world over have with their parent body. That is what we need here. The kind of things that this City could administer are considerable. Things here are so different from the situation in Dawson or Mayo or Watson Lake. The size of bureaucracy or the size of the populations, the abilities of the municipal politicians, the scope of local governments is different. Why lump them all together?

We lump them all together because, once again, protestations to the contrary nothwithstanding, we keep adopting outside models, structures which are foreign to the Territory. I believe we should be designing structures and institutions which are appropriate to the local government here, appropriate to the populations here, but we continue to try and fit people into paper structures which are foreign to them.

Let us take a hard look at what we have got here. I dealt briefly, far too briefly, with the situation of Whitehorse, of why that city should want or need a separate charter. How many towns does Yukon have, according to the new formula? Is it three? Dawson, Faro, Watson Lake? What do these three places have in common that requires us to set up legislation governing the activities of all of these three communities together?

What they have in common, Mr. Speaker, is that they are in Yukon, and they have populations within a certain range of each other; the similarity of population size, basically, that is all. They have little in common in terms of their experiences, in terms of their history, in terms of the economies, in terms of the abilities of their councils, in terms of their tax bases or their resources. Historically, Dawson has had serious problems. Recently, it required a municipal infrastructure, for which I am not sure anybody knows yet, really, how it is going to be paid. Dawson, as we all know, has been placed under administration several times in the history of the Territory.

Faro was what some people call a company town. It has a very competent town council, but only one major taxpayer. If all the taxpayers except one there approved a local improvement, and that one happened to be Cyprus Anvil Mining Corporation, what would happen? The answer is obvious, whether it is under the old legislation or the new.

Let us take Watson Lake. Watson Lake was basically a strip development. It is a growing community, a community with some unusual histories and strengths, but basically a service community. But it is not like Dawson, it is not like Faro; it, too, is unique.

The particular towns, the particular local government people there, at this particular point in our history, are different. Their particular needs are different.

We then have a wide variety of smaller communities. Small communities, like the Minister recognized, are just beginning to grapple with local government problems. Each of them, in their own way, is unique. He talked about the embryonic form of government for hamlets. Except for and apart from the Commissioner's restraints, a hamlet containing a lot of money and lot of talented people could potentially do anything that the City of Whitehorse could do, and I am not sure that that is realistic.

There are probably some obvious limits on just what most of the small communities are able to do, not because the people are not as smart as the people in Whitehorse or that they are not capable of doing it, but just because there are natural limits which affect a small number of people in a small community with limited resources being able to do, limited by how they can pay for services.

What is more, Mr. Speaker, in a few months, we may have a whole new kind of local government emerging, as a result of a land claims settlement.

Now we are not going to get into a long debate on those kinds of things, but it seems to me that, fundamental to the argument being made by aboriginal neighbours, is that the Indian communities have some kind of sovereignty. The federal powers have always protected that kind of sovereignty. It seems to me that the Commissioner, on a petition of some non-native people locally, could all of a sudden wake up some morning and go, "Poof, you are a hamlet." It would be pretty frightening to them, because it seems to me, as I read this legislation, that, potentially, it takes fewer people to get you into a municipal status than it does to get you out.

If the Land Claims process goes the way Indian people want it to, and that could happen, I do not know, I have no way of knowing, we would see Indian local governments here governing huge areas of land, but it seems to me we are designing a structure here into which they will not fit. We are designing a structure in which they will have no voice. It seems to me we are designing a system which may be wholly inappropriate to their kinds of needs and aspirations, especially if they are to gain, as they are arguing for, control over things which are now exclusively under territorial control. such as Game, Education, and the administration of justice. Those are some of the things which I understand they have asked for, historically, traditionally. And those are things which are within the power of the Territorial Government, and they are powers that the Territorial Government are going to be protecting quite jealously at the bargaining table. But the point is, and we should have been alerted to this in the Drury Report, that what Indian local governments may want, is powers over things which are not traditionally within the ambit of local governments at all. It still does not seem to me that we have any divine right to say that that never shall be the case, or can be the case evermore. But it seems to me that we have not anticipated that possibility. The worst possibility, it seems to me, is that such a bill can be seen as another article of bad faith. I truly hope that that is not the case, because we have had far too much of that kind of angry exchange.

It seems to me, Mr. Speaker, that we have been going about this much needed revision of the Municipal Ordinance the wrong way.

The Minister mentioned the constitution; the Constitutional principle. What we have had and what we have in this bill is a delegation of powers, not the sharing of powers, which is the more democratic constitutional principle, and the one that I think the Government Leader, when he is talking to Ottawa, has some sympathy for.

It seems to me that we have to be making sure that we are saying the same thing to Ottawa as we are saying to Old Crow.

We are setting up structures and then trying to fit the communities into them. It seems to me that we should be starting by looking at the communities and then designing something that is appropriate to their reality. It seems to be that the best way to start would be to negotiate, between the City of Whitehorse and the Territory, a municipal charter for this Capital City. There are all sorts of known quantities on both sides. The relationship between the two governments is well established, and such a charter could be the model for the evolution of such future communities. But it also might not only be a positive model but a negative model. It seems to me that it would be highly appropriate, if they so desire, for a community like Faro, a community like Dawson or Mayo, to say, "We do not want to have that kind of relationship, we do not want to do the kind of things that Whitehorse is doing. We do not want to get into that kind of things." Whitehorse may be capable of administering, as many big cities do in the rest of the country, programs which are strictly provincial, but which the provincial Government has decided are appropriately administered by the local Government.

Many of those kinds of things are possible here, but quite literally impossible in almost any other community in the Territory, with the possible exception of Faro.

It seems to me that that is a reality that we should be looking at. This is a city of 16 or 17 thousand people, with the ability to administer a whole range of programs, perhaps more adequately than even the Territory, to provide a range of services which is not possible any where else in the Territory. It seems to me that having negotiated this charter you could then sit down and start to deal with an Ordinance (or part of an ordinance) that would cover the towns in the Territory.

Dawson, Faro, and Watson Lake have very little in common. It could be modeled on the earlier charter, but each of these towns would want to negotiate powers and responsibilities appropriate for each of them. It seems to me that the Town Council in Faro could do things that the Town Council in Dawson City could not, and vice versa. The Town Council in Faro may be interested in doing things that Dawson is not interested in doing.

The major point, Mr. Speaker, is this: it seems to me that we are small enough here that we could deal with the individuality, the unique qualities of each of the communities, rather than trying to throw them into some grab-bag legislation made to fit everybody

As to the unorganized communities and the Indian local governments that may emerge in a few months, or whenever, it seems to me then we could deal with them sensitively and creatively, after we had established these previous charters. It seems to me it would be a wonderful opportunity for us, here in the Canadian north, to develop a novel style of local government, which is unique and suitable to our geography and our population. Perhaps you would not have individual charters for each, and each of them tacked on to the over-all *Municipal Ordinance*. That might not be necessary, and perhaps in any case that is far too radical a proposal for this Government. But you might get a consensus among them, of what they wanted over a period of time. Perhaps they recognize that they have more in common with each other than they do with the towns or with the city. It seems to me we would end up with a more realistic form of municipal legislation than we will out of this bill.

And let me say this, Mr. Speaker, before this work was even begun, I think what I would like to have done would have been to issue a White Paper on Local Government. Because, with respect, I must differ with the Minister and say that I do not think that this bill contains any philosphical unity.

Let me deal first, for just a second, with one particular point, the problem of internal structures in municipal governments. I think we have not asked the fundamental questions about whether the council/manager system, which operates here in Whitehorse, for example, is performing satisfactorily. I do not think we asked the right questions about whether the L.I.D.'s were functioning. For example, it is my personal observation, Mr. Speaker, that one of the dangers of the council/manager system, as it now operates here in Whitehorse, is that we have far too high a turnover in municipal politicians. Now you might want to solve that problem by having longer terms or staggered terms, or whatever, and that may be possible. But it seems to me that there are too many frustrations with the current system, and at its worst the council/ manager system can degenerate into a system where you have an experienced, strong, capable city or town manager functioning as "the Government" and the council effectively behaving as "the Opposition". From what I have seen in the City of Whitehorse, at times, that situation became dangerously apparent, and I think it was undermining the very fabric of local government. And I still think it is a serious problem. It is not that the manager is to blame or the council is to blame. I think the structure may have left something to be desired. Maybe the council/Commissioner system would be better. Maybe the mayor/Manager system is better. But we have not asked these questions. The Government has not answered them. I do not think the Government has defined its philosophy on these questions clearly enough.

Look at the L.I.D.'s, or the villages, for a second. What do you do in a tiny community, where everybody in town agrees that out of the people available in the community, and with the disqualification clauses; there may be very few people, given transients and Indian people who may opt out, and people who have not been there long enough, and people who have conflicts; of the people available in the community there is only one person, there is one person who is the logical person to be the town foreman — call him that, or the village foreman. But there is also a wide consensus that that same person is also the person best equipped, by virtue of his talents and experience and abilities, to be the L.I.D. Chairman or the mayor of the village. It seems to me there is nothing wrong with that arrangement in a very small community. It seems to me that it was possible under the previous Ordinance. But I am not sure it is, under the new one. In fact I think it is not.

It seems to me that that is a not unlikely arrangement in a very small community, where you have one person who, essentially, for the time being, has been given the responsibility, not of separating executive and administrative responsibilities in a community that small — that is silly — but of running the town, and the rest of the council being advisors to him. And, where appropriate, why should not such a system be allowed? There may be an infinite variety of arrangements, which, while they do not fit into conventional wisdom about political theories and Canadian government courses as they are taught in university, still make sense based on the experience of the people who have to live with them.

Now, Mr. Speaker, before the Minister becomes too totally depressed, let me tell him that there is some indication in this legislation of some increased flexibility, and I think that is very good. But I still submit that we have been going about it the wrong way. I feel we have been ignoring the human reality of this Territory and trying to design paper structures, and then we will wrap the people up in them afterwards; and if they do not fit, they do not last the passage through the mail, then, too bad.

From a constitutional point of view, I recognize the problem for YTG. It cannot accept an argument that size is the decisive factor in determining the level of local government responsibility, because, as I understand, that could be used against Yukon. We probably cannot rigidly describe steps up from a hamlet to a vil-

lage to a town to a city, in terms of the tax base and automatic transfers of new powers.

However, a pot which melts the needs of Teslin and Faro and Whitehorse will not do, either. The Territory is serving this bill of fare, but the city could find its plate is too small. Faro might find the dish not to its taste. Villages may find their eyes are bigger than their bellies, and none of them knows who is picking up the tab. Sure, they all, and we all, contributed to this pot luck. But I think if the people who are eating out, who are joining in on this, were smart, they would stick around and see who gets to wash the dishes. They would stick around and see what the cook has for supper; because the leftovers may be better than the stew, Mr. Speaker.

Now, without going into a lot of detail, let me say a couple more things. It seems to me that while Canada is going through this terrible process of constitutional renewal right now, we should probably regard this process of amending municipal legislation as part and parcel of that larger business. We should recognize that the Federation of Canadian Municipalities has demanded a voice, nationally, in the municipal proceedings. But, like the Territory, the municipalities have been denied such a voice. I think we should have some sympathy for their position, as we would hope they would have for ours. We should recognize that our constitution, like the Constitution of the United States, was drafted essentially by rural and small town politicians.

We do not live in a rural, small town world any more. The majority of people in Canada live in big cities.

The majority of people in Yukon live in one city. We have to deal with that reality and it seems to me it is inappropriate for us to be setting up these forms, not so much without consulting, but without thinking very hard, about what we are doing in the context of the country as a whole.

Municipalities in this country have one thing in common, whether they are in Newfoundland or Alberta or BC or Ontario or even Yukon — it is a problem with money. That, Mr. Speaker, as they say, is a matter of principle. Whenever you are talking about a matter of principle you are probably talking about money. It seems to me that what municipalities from one end of the country to the other need, is constitutionally guaranteed forms of revenue, some tax room of their own, like property taxes, which are exclusively their own and which cannot be invaded, as the Territory now invades the property tax field with school taxes, by any senior government; a tax room which is theirs and theirs alone, to expand or contract as they desire, depending on the demands and services in their community, and the political will of the community for those services.

It seems to me, Mr. Speaker, that is what we have got to think about when we are talking about municipal government, because it is no good talking about how we are going to work out with the Territory what powers you are going to have, if you cannot plan and anticipate from a position of legal strength your financial position for some years to come, especially if you are a municipality, as we are now, rather completely dependent, in some respects, on the senior government.

Frankly, Mr. Speaker, I think there are some good bits in this bill. I am still in a bit of a stew about the principles, because I think they have been lost in this pot into which everything has been thrown, which has been cooking and stewing and boiling for months. If it had any original thought or vision or design behind it to begin with, I think that some of it is lost. That is a pity. I do not know if the thing can be salvaged, if we can pick out the pieces we like and put the things in we do not like, and make something more appetizing out of this. If not, I think we should go back and have a look at the principles again, from the beginning.

I think the timing of this bill, in any case, before a land claims settlement, or from a constitutional point of view, is generally probably very significant. The Minister addressed that question, but I think we must not forget it.

At the same time the municipalities in the Territory have a need for some revisions and these should be achieved. I think if we go through with this, at the very least we should remove the municipal board proposal. If the thing does not stand up as it is, then I think we should make sure that we bring it back in the next Session.

I think it needs a bit more thought, Mr. Speaker, but not, let me say this, necessarily more consultation with everybody who has already been consulted. There are some people who have not yet been consulted. If I had my way I would take someone, perhaps Mr. Livingston, someone who knew what he was doing, and go back to

the beginning and draft it all over again. If that cannot be done, at the very least I think we must remove the municipal board proposal, because I fear the board may have been created to counterweigh the wide and loose powers the Territory seems to be granting the municipalities. I do not know if the communities will ever thank us for the powers they cannot afford, but I see real frustrations with this new ordinance, even though, I grant the Minister this, it may be better, in many ways, than the one it replaces.

There are a number of questions which I want to address in Committee and I will. I know that the Member for Hootalinqua will be concerned that without the consent of the people who live there the Mayo Road and the Carcross Road do not suddenly get added to the City of Whitehorse and that little hamlets all over the place do not get "poofed" into existence by the Commissioner. But I will leave my remarks in that regard to the Committee stage, Mr. Speaker, where I will have, to the Minister's regret I am sure, lots to say.

Thank you.

Mr. Fleming: I would like to rise to congratulate both the Members in front of me for their speeches and some of the topics they brought up.

The Honourable Member in front of me has brought many, many things to the front that I think that government should give very close attention to.

I think that they have said it all, but I would like to quote a few things that maybe the government has missed, in the very fact that this ordinance is so encompassing; that it takes in, as the Members have said, a town that could take in 100,000, and then turns around and tries to take a spot like Teslin or Carmacks, with 300 people, under the same regulations, laws and so forth. I will say, myself, I do not think it is going to work. In the smaller communities we are going to have a problem.

I am sure that, if it passes as it is, and the board, as the Member has said, is in place, and acting as it does in this ordinance, that I would definitely wish to be the mayor or the mayor's friend in any small town. It is like the days of Jesse James; if you were not his friend, you could leave town or get hung, one way or the other. That is a very good possibility.

The principle of this ordinance is, of course, to give the people more say, more power, and to also make it possible for the Government of Yukon, Mr. Speaker, to possibly give them more monies. I am saying, "possibly", but not necessarily so.

The real principle of this ordinance is to make it very easy for the government to sit back and let the Territory just look after itself, and let the people look after themselves, and the responsibility drops off its shoulders completely and entirely. I do not quite agree with that.

As the Minister spoke about flexibility, Mr. Speaker, I can agree that we need more flexibility in the communities, but not total flexibility, not left wide open. We also need the guidance from above, and that is something that is not going to be here, I do not think. These people who are elected to do these things are going to have so much say in the communities, and they will be doing it as best they can, but you must remember that Yukon is young yet. I want to say this: our government and the Conservative Party in power across the floor are in that very same position today, very young, inexperienced in what they are doing. They are dropping this same type of thing down to the small towns.

I would like to say this; out of the millions of people in this world, there is only one Einstein. Numbers do mean something. When you start creating committees, boards and so forth, in any small community, you do need a certain number of people, to get qualified experts for those jobs — whether they be elected, hired or whatever. With respect to all peoples, you know, I do not mean to say that anybody is not smart or anything like that, the fact remains it is there. When the L.I.D. principle came into being, I felt we were going a little fast. They did not have very much experience. They have done fairly well, but now here we are embarking on another such thing that seems to be much much more dangerous, without too much consultatation with the people.

Now I think the Minister may disagree, Mr. Speaker, but I am saying that there was not a lot of consultation with the people. As our L.I.D.'s operate now, and I am sure I am right, there are no more than 10 per cent of the people who ever go to an L.I.D. meeting, so therefore when the Government invited the L.I.D. member from each community to get in on the papers that they had, which was just more consultation with them and the proposals, of course, what they might do in the Ordinance, and so on and so

forth; they did not really get right down to the grass roots level with the people. It did not happen, whether they think so or not.

As for finding out exactly what all the people wish, I was not invited to any of the meetings that the Government had with the municipalities. As an elected representative, I think I should have been. I will not speak for everybody else, but I do not think so. I think maybe we should have been.

I think the Leader of the Opposition was speaking about some of the laws that are passed by the Government and now will be passed by normal people in a town, and I am just wondering just how much authority you can give to people living next door to each other.

I read this ordinance over the weekend, actually I could have gone through the family Bible almost as fast; it took me all weekend to read it. I find areas in it where there is almost total power given to the small board in a small town. I do not believe it is possible, Mr Speaker, for people to live together and have people on the same level as themselves, passing some of the laws they would be allowed to pass under this ordinance. For instance, if you are allowed to licence your place, you are going to have a schmozzle all over the country anyhow, because every place in the country is going to have a different price for licences and every place is going to have a different tax structure, by the looks of this ordinance, with which I do not totally agree.

I think it is all right for the government to pass some laws and to come up with certain prices for licensing and so forth, but of course there will be complaints, I think, when you get in a small community, complaints from the people that start making that kind of decision, that it does not work. It is not going to work very well.

I will not belabour the subject. I know the two Members in front of me have spoken very well on it. I would say, myself, that I agree with both of them, that I think the fact is you should keep this ordinance as it is, it is all right, and work through it and try to find out where the problems are; give yourself some time to find out those problems. Possibly you might get a little more input than you did before from the communities, and then look over the things that have been spoken about today, and possibly bring it back in the spring, changed slightly. I will go along with the removal, completely, of that one community board system.

Thank you.

Hon. Mr. Lang: Mr. Speaker, I am just totally and absolutely amazed. I hear the Members opposite — one Member stands up and says there is too much consultation and the next Member says we are supposed to have a talkback show. Mr. Speaker, I certainly wish they would get their act together on the side opposite, one way or the other

Further to that, Mr. Speaker, I hear the Member for Campbell standing up and spouting off how good the L.I.D. structures are and everything else and I recall very vividly, Mr. Speaker, April 3rd, my birthday, 1979, he stated there should be a little bit more communication and not quite so much government at the upper level, more government to the people at the local level with more responsibility.

Mr. Fleming: A little bit more.

Hon. Mr. Lang: Yes, Mr. Speaker. Now he is standing up and saying there should not be any changes, we need another year.

Well, Mr. Speaker, we are elected to make decisions whether you like it or not. Over the course of the past year, while I had the responsibility of Municipal Affairs, the Honourable Member for Kluane asked me specifically, was I going to be consulting with the Association of Yukon Communities for a new Municipal Ordinance. I said yes.

The Member for Whitehorse West asked me the same question, I believe in the same Session, the same question. I said, "Yes". There was clapping in the stands, everybody was happy, it was a great day.

All of a sudden, after we have discussed it with the elected representatives in the various organizations, we have brought forward a piece of legislation. Granted, there may be areas that we should be looking at with some of the constructive comments that have been made, but, overall, as far as consultation is concerned, Mr. Speaker, I think we have done our best.

Granted, we could have sent it to the Philippines for a little bit more input; we could have sent it up to Herschel Island just in case somebody moved there, but, Mr. Speaker, I think the Minister has done everything he possibly can with respect to trying to have people who have some knowledge of how municipal government is run, put their input towards legislation.

Mr. Speaker, the Member of the NDP gave a very enlightening speech. He talked about the Tory cook, and the fact that the NDP were forced to go, once again, to the provider. Well, all I can say, Mr. Speaker, when I heard his alternative to the legislation before us, all I can say is I am very thankful he is not the cook, because, Mr. Speaker, I can see us having 22 charters, 22 different sets of laws, and I will tell you, it would be one real consistent way of running a jurisdiction. "Well, we will have one law for the businessman over here; we will have one law for the businessman in Watson Lake, and it will be a really interesting, compatible situation.

Now, Mr. Speaker, the principle of the bill is very clear. Right now you have two types of organizations as far as municipal structure is concerned. You have municipalities and you have L.I.D.'s. And that is it. Now, we have had accusations here for the last two years; the L.I.D. system is not working. In some cases, the municipal system is not working. Of course, we never heard any constructive alternatives. Well, I have heard one today, Mr. Speaker.

We are going to have all sorts of charters. That should be an interesting exercise in legislative drafting and would be a real interesting exercise to go under for the next ten years, I can tell you that, Mr. Speaker.

But the basic principle of the bill is to try to give four categories of municipal structures, for the communities throughout the Territory, with some flexibility with respect to the power delegated to them; whether or not they feel they are capable of assuming those powers would be discussed over time, as they grew, in respect to their particular structure as it fits into the new Municipal Ordinance

The other point that I think that is very important in respect to this bill, which nobody has addressed yet, is that there is a real problem in many of our communities with the fact that a lot of people just will not run for office. They say "Why? What is the point? We go, cap in hand, to the Territorial Government, then they allocate the money and that is it."

Now, Mr. Speaker with the new type of legislation, there will be some responsibility and accountability and this will encourage people to become involved, and hopefully foster politicians that will be coming up from the municipal level — and I hope my colleague from the NDP does not take this as a compliment — to the territorial level, to be involved in the political decision-making of our jurisdiction in Canada.

As you know, in the past year we have had boards go in my acclamation, we have had boards that have fallen apart, there have been numerous reasons, and we can all make excuses as to why it happened or why it did not happen. But one of the basic principles behind the bill is to try to build in, with the Municipal Aid Ordinance, responsibility and accountability, along with the importance of the local decision-making. As my colleague has indicated, there is not going to be a case of people running around indiscriminately making decisons; there is going to be financial control. And we agree, it has to be.

If the Members Opposite are happy with the financial situation the way it is, I would submit, Mr. Speaker, they better do their homework. In respect to the unorganized communities and the L.I.D'.s, they just come and request money. With the *Muncipal Aid Ordinance*, accompanying it later on this spring will be guidelines; they will have those guarantees that my colleague indicated are necessary, and I agree they are necessary, to the extent that we can delegate that authority and those guarantees so that they can plan for two or three years down the road. I think that is a very important aspect in respect to this piece of legislation which will accompany the *Municipal Aid Ordinance*.

In respect to the comments that were made that we are going to have two types of Government in the Territory and this type of thing, Mr. Speaker, I cannot accept that. Even the principle of espousing that some Members may even encourage that in this House, I cannot accept Mr. Speaker. I think it is important that one recognizes that the framework of the Municipal Ordinance is there for everyone.

The responsibility in the smaller community and even in the community of Whitehorse, to ensure that that water truck gets there, is municipal. It has nothing to do with the *Game Ordinance*. Now how the hell that got into the municipal debate is beyond me, Mr. Speaker.

Mr. Speaker, we are talking about the basic services, the every day services that are required to run small, medium-sized and large communities within the Territory.

Mr. Speaker, the comments that were made in respect to the possibility that the Baker Lake court decision could come into the Municipal Ordinance, Mr. Speaker, I think were totally erroneous.

One thing that I would further like to add, Mr. Speaker, is that I find it difficult to accept the innuendos that with this legislation, communities will be unable to function financially and this type of thing.

It is very clear, Mr. Speaker, in respect to the green paper that was tabled here yesterday by the Minister of Municipal Affairs, that the new formula, "shall not result in any community suffering financially as a result of the implementation of the new legislation." It is a major concern of this government to ensure that a community is not going to financially have major ramifications with respect to the legislation.

Mr. Speaker: Order, please.

Mr. MacKay: Mr. Speaker, I am wondering if the Member would permit a question?

Hon. Mr. Lang: Mr. Speaker, the Member obviously has not read the rules, and perhaps--

Mr. Speaker: Order, please. Would the Honourable Minister of Economic Development permit a question?

Hon. Mr. Lang: Mr. Speaker, no. I did not get a chance to question him. I will get a chance to question him later on.

Mr. Speaker: Proceed.

Hon. Mr. Lang: I will quote, Mr. Speaker, one of the objectives of the *Municipal Aid Ordinance* that will be coming at a later date: "the new formula shall not result in any community suffering as a result of the implementation of the new legislation. It is not the Government's intention to relinquish its responsibility for local government, by forcing municipal status on any community, and then stepping aside to allow it to sink under the financial burden of trying to finance all its municipal obligations through local revenues."

So, Mr. Speaker, I am saying to the Members opposite, we are very concerned in that respect, and it is an area where there will be a lot more debate when the *Municipal Aid Ordinance* has to be amended to reflect the changes of the municipal structures and the municipal legislation that is before you.

Mr. Speaker, my colleague from the NDP mentioned the council/manager relationship. It is very clear in the legislation, and to this date it has not been. The responsibility lies with the political arm of government and the manager is responsible to it. I think that is a very important point that has to be made. Similar to the Territorial Government or the federal government, in the final analysis it is the political arm of government that makes those decisions, in respect to the overall governing of the community, and the manager must carry out those decisions.

Mr. Speaker, I would say that there has been a great deal of consultation done on this particular bill. I think that the Minister of Municipal Affairs made it very clear that he does have some reservations, in respect to the board that the Members spoke of, and I think it will be an interesting debate in Committee to go through it point by point. I will be listening with a great deal of interest, hopefully, with constructive ideas coming forth from the side opposite.

So I would say, Mr. Speaker, it is time that we got on with the discussion of this particular bill. I think it is good for Yukon, and it will give the flexibility as well as the capability for people to make decisions at the local level, which is long overdue.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Lang: Mr. Speaker, I would move, seconded by the Honourable Member for Campbell, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Campbell, 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 call Committee to order.

We will continue with consideration of Bill Number 38, First

Appropriation Ordinance, 1981-82, but in view of what has transpired, we will give some Members of the Assembly an opportunity to get their second wind with a recess

Recess

Mr. Chairman: Under consideration, Bill Number 38, First Appropriation Ordinance, 1981-82, continuing discussion on Department of Tourism and Economic Development, page 24. The item under consideration, Tourism Industry Development Subsidiary Agreement, \$2,494,000.

Shall this item carry?

Mr. Fleming: No, Mr. Chairman, not yet. We were on this subject yesterday and I disagree a little bit with some of the comments made by the government side of the House. To me, anything that amounts to a give-away program of any kind is either for everybody or for nobody. I have said that before. However, I would like to bring up a few facts now, and I took it upon myself this morning to call an outfit, and I will not say who, that builds modular homes, because I do not like to quote prices or anything unless I know what I am talking about. Units in Dawson City, and these are reasonably good units, though I would not say they were the very best, come at about \$40,000, and that is giving it a very, very good estimate

\$40,000 for three rooms; delivered, set up, and ready to operate. The Minister was speaking about 90 or 100 rooms, yesterday, but I would like to break that down to about 30 rooms, for instance, and that would cost an investor there \$400,000. Now we know that Dawson City cannot stay open all winter when there is no one to whom the rooms can be rented, when the tourists have gone, and I realize this. But, do you know something? I would love to see that many people outside my motel and hotel looking for rooms in the summertime, for about 120, 130, 140 days of the year. Four months definitely, and if they stay open five, they can get a good 140 days in. I will give you an example of 30 units, which is approximately a third of what the Minister is talking about. I do know the motel business, and I will base this on my own place, and the prices are pretty near correct; at \$50 per day, per room, those rooms could bring in \$7,000 apiece in the summer. Now, Dawson City charges more than that. I will base it again on \$40 a room, or \$5600 for one room per year. You multiply that by 30 and you get \$210,000, at the \$50 rate, and you get \$168,000 at the \$40 rate.

I am being very, very liberal about the power situation, and I am basing this on my own, which is all electric, which is year round, and which is high. It would cost them \$45,000; I would hope they could come a way under. Sending all the goods to the laundry is going to cost the workers another \$30,000, and I am being fairly liberal there too. It is going to cost them \$30,000 to take care of that place, at least, for employees for the summer. They are not going to get \$1500 a month which I have set down on paper here for them. The laundry is going to cost them \$1500.

We come up with \$75,000. Now that is not all of it, we have taxes of a thousand or a little more or a little less. We have insurance that is going to cost about \$24,000, or a little less; I am always over. We have licencing and repairs, and in in the first few years that is not going to be so much. But we come up with over \$100,000 to run that place for a summer. Now if you are going to take in \$168,000 or so I do not see where there is not a certain amount of profit there. However, I can understand an investor going to Dawson City with \$400,000 and paying an interest of at least 12 per cent, which would cost \$50,000 today; he would be crazy to go to Dawson City and try to make any money. So I understand the problem, but to give somebody money to also go and make that \$48,000, and all the rest of it home-free, is to me absolutely ludicrous. That is not a way to run a country.

I can understand your giving assistance where it is needed, not only for Dawson City, probably all of the Yukon. And I can understand Dawson being a little bit unique, maybe it needs more assistance than the others. I will go along with that.

If, for instance, you need 100 rooms, you take \$1,200,000, and you put it into Dawson City, to people who are responsible and wish to work, and you have it paid back, interest free, maybe, for the first four or five years, or three years. That kind of a program I might accept. I might accept that type of a program, such as your business incentive loan program was, in that situation. I may accept that wholeheartedly, because I can understand it, and I know the figures, and I know these figures are not wrong and they are not underestimated. As I say, I only wish the Government would come to me and say they would build ten rooms on my hotel, free of charge for a while, or give me a million dollars and I would go to

Dawson City and put up a hotel. I'm sure anybody would. I cannot agree with the principle that it should be given, and therefore I would not vote for it.

I also have a problem where the Government puts down on the budget paper that this is for the Tourism Industry Development Subsidiary Agreement, and some of the money is to go to historical things, and other things that are needed in Dawson City, for the Government; and then a portion of that money is taken and given to private enterprise under the same vote. I may vote for one of the instances, where the Government is doing something for this country, but I am not going to vote for something where you go to private enterprise and give them money, when you are also spending money over here out of the same pocket, even if you do tell me what the figures are. So my whole vote, therefore, is not going to be voted on in the affirmative.

Mr. Byblow: I cannot help but reinforce the concern that I have over this particular aspect of money appropriation. I think you have a situation here where you are legitimately trying to help an economic interest area of the Territory, but you create the confusing contradiction of actually giving away money to compete with private enterprise.

I would like to question the Minister at this point just in an historical sense, with respect to the whole subsidiary agreement. My understanding is that this agreement was essentially put into place last February, and the summer, this particular portion that we are debating here, the allocation of monies towards contractors to build these additional rooms, was made. I would like to hear from the Minister, what is the strength upon which this decision was made?

Hon. Mr. Lang: Mr. Chairman, maybe the Member was not here last evening. I tried to make it very clear that we see the situation in Dawson City as a very difficult situation, in view of what has transpired over the past few years. I made it very clear that we have had, over the course of this last year, a number of tour operators who have cancelled tours going to Dawson City as a destination. In other words, they are going elsewhere, either in other parts of the country, or perhaps going by Dawson and perhaps going up the North Highway and just scooting through the Yukon as they continue their northern tours.

So you have a chicken and egg situation here in the Territory, where people are complaining about bad service, due to some things that are beyond the people of Dawson's capability to control, the flood and various other things that have transpired. But also, quality hotel rooms are in shortage in Dawson City. Now the point of the Tourist Subsidiary Agreement is to encourage tourism in the Territory through one-time capital investment. In this particular area we felt that we should be trying to encourage people, with a small amount of money out of the Tourist Subsidiary Agreement, to invest in the hotel industry in the Dawson City area.

The offer that the Member for Campbell has referred has been so good, I think we have had five proposals. It is that great that everybody is flocking forward with a proposal. So you can see that the investment in Dawson City is a major concern to anybody when you a talking a million or couple of million dollars, whether they are going to get a return on their dollars.

All we are attempting to do is to set up a program under certain guidelines, for example, they have to operate for three years, they must be quality hotel rooms. No offence to the Member for Campbell, it would be great, we could just encourage everybody to build substandard rooms, and stay right out of it. But we want to try to encourage the people investing in the hotel industry in Dawson City to have top quality hotel rooms, so we can continue to advocate and to advertise Dawson City as a destination point for the tourists who are coming to this Territory. I think that is important.

Now, you can criticize it, and everything else, but when, three or four years down the road, there is no further building in the hotel industry, then the Member for Campbell will probably be standing up and saying, well, why are you spending all of this money in marketing. It is the chicken and the egg situation. I think that it is assistance that is well spent, to try and encourage major capital investment in the heart of the Klondike, which, in essence, is our history, and it also is an encouragement to our tourist trade.

Mr. Penikett: One thing I must say, Mr. Chairman, it is obvious that the Minister is very new to socialist economics, and I think he is betraying his experience.

I think he has described a problem reasonably adequately, that there is a shortage of quality rooms and a shortage of local capital. He has dreamed up a solution which his own prejudices and background have given him.

I think he is beginning to now recognize, because the world is not universal in its acclaim for this kind of government assistance, that there is a political problem in Teslin, and Riverdale South, and Faro, and Haines Junction. It is a universal problem with any form of welfare where there is a means test or selective delivery of it. It is a problem because it is going to be giving some welfare to some hotel operators but not others.

Those who get it are going to be quite happy, and they may be so happy that they leave very soon, and that is going to be a problem we have no way to control.

The other problem you have is that all the people who do not get it, and they are going to be a lot more people than those who do, are going to be unhappy. You are probably very lucky you have only got five applications, very lucky. He has already made the people in Teslin unhappy, and the people in Haines Junction, and the people in Faro, and Riverdale South.

So, I would ask him, given the circumstances, the shortage of rooms, and the shortage of local capital or development capital for this kind of need, did he not consider some of his other alternatives?

Let me just suggest a couple, and I do not have time to investigate these for him, but if he would like me to do some development work, I would be happy to consider it. One of the things that could have been done is that the government could have contracted, with a contractor, to put up some rooms, or build some rooms to an appropriate standard. Not an addition to a facility, but develop a new facility, perhaps a model one. That is not such an unusual thing, because government has done this elsewhere and, in fact, this government occasionally has done model projects, model houses and such. Perhaps we could have had the vocational school, under this program, build a model motel unit, a mum and pop operation. Then, through his department, he could have found a lease operator to lease-purchase the thing. The lease-purchaser could have someone tender to bid it.

The successful person who got in on a deal like that, I think, would not have created many political ripples. People who had failed to win the tender proposal, or to win the award for this contract, this lease-purchase agreement, it would seem to me, would not have their noses too much out of joint, because it was not closing off an opportunity to be fair. You would achieve the same end of getting rooms up, but you might not have the same political problems.

I do not want to propose that the Minister do this. Of course, there is also the McNiven Construction model on the Dempster Highway, which has been another way of providing rooms. If I could just get the Minister's attention for a second — there is the McNiven model for providing rooms too, which the previous government has adopted. I, for one, am not going to advocate that, because I do not think it is right for Dawson, and I suspect the Minister is not that enthusiastic about that model either.

My question really is: why did he go this way? Because even were I to sympathize with his objectives, it seems to me that he has chosen a way of delivering this money to the community, to the operators, which is going to make him more enemies than friends. It is going to make more enemies for the Government than it is going to make friends.

To use the worst case, which Mr. MacKay presented, the case of the people who decided to reap a windfall profit; they are the people who benefit from this scheme, and then flee from the country with their capital, and here I do not think the net benefit for the community will be very large. The benefits that I am looking for are developing local ownership, and keeping those proprietors in the community, and contributing members of the community. I think one of the sad things that can happen to a place like Dawson is, as it evolves from a mining community into a tourist community, you will increasingly get people who are summer residents. A I have mentioned about summer residents before, their commitment to the place is not the same as people who live there yearround. They are the people who are getting the gravy — not taking the bad as well as the good. They are getting the good out of the community, but not paying their dues, if you like.

So I want to know if the Minister did consider many other alternatives or ways of delivering this money; and if not, why not?

Hon. Mr. Lang: Mr. Chairman, I am going on memory now. There was some discussion, if I recall correctly, with respect to the Government doing a model project, as the Member indicated. I personally do not want to get into the hotel business. I would also

further say, Mr. Chairman, that I think it has to be understood that we do have a partner, in respect to the allocation of these dollars; namely the Government of Canada. This particular program had to go before Treasury Board to be accepted as policy. The Government of Canada, like ourselves, recognized that the shortage of hotel rooms in the Dawson area was having major ramifications over-all on our tourism industry. The more rooms that are available in Dawson, the more people can go there and the result is going to go correspondingly throughout the Territory. I do not think that we should lose sight of the goal, and it is to try to get 100 more top quality rooms in Dawson City. This is the mechanism we have chosen to do just that.

Now, granted, there may be some substance to your argument that a fellow goes up and builds his hotel and he flees after three years. There is the stipulation that he or she has to run it for three years. But I do not think we have to lose sight of the goal we are trying to achieve: (a) hopefully it will be local people; (b) there are 100 top quality rooms for visitors coming to the Yukon, and particularly, Dawson City.

Mr. Chairman, I do not like it any more than anyone else that we have to become involved in programs of this nature, but I also recognize that we have a major problem. It seems ridiculous to me that in this House we vote hundreds of thousands of dollars to market the Yukon Territory, yet, in the key tourism area of Dawson City, we have people sleeping in buses and out on the streets.

Now that does not make sense to me. We have attempted to come up with a program which I feel is going to bear the fruits of what we want, which is a major capitalization within the Dawson City area, in the target area of 100 rooms, to accommodate the tourist industry. In the long term it will be good for Dawson City and just as importantly, good for the Yukon Territory.

As far as I am concerned, Mr. Chairman, the Member for Campbell has a valid point. But the *Business Development Assistance Ordinance* cannot come into force, we do not have monies through that vehicle. This is the vehicle we have finances for. We thought it was important to come out with something to try to encourage investment in the area and I think we are going to achieve that to a large part.

Now it depends on the substance of the proposals put forward. We probably will have a better idea of what we are talking about once all these proposals have been reviewed so that people have an idea just what exactly, in the final analysis, we have been able to agree to with the private sector. But I do not understand the Member for Campbell's argument that "Gee, this is a great idea for anybody wanting to own a hotel." There was enough advertisement on it and we have had five or six applications, so it cannot be such a sweetheart of a deal, because if it was, you would have a hell of a lot more people applying.

Mr. Fleming: How many hotel owners in Dawson City? Five. I do not presume that anybody else would be asking to go to Dawson City and do it, because I think the program was more or less was, according to the Minister, a program for people who were already there and have a portion of a hotel already built.

I really, really wonder at the Minister when he says that the federal government has a hand in this in any way, shape or form, other than giving that money to him to do something.

In his words, he is saying that the money was given to us but that we must spend it under certain terms. I would as the Minister if he ever talked about any other terms with the federal government? I often wonder, and I do not think that the Minister wants to raise to much of a do once in awhile, but he does not miss the chance very often to make a little political hay and I wonder why we were not informed before, that the money was just for that and the that the federal government said that you had to use it for that.

All of a sudden, that is what is coming up. I do not quite agree.

Hon. Mr. Lang: Mr. Chairman, in fairness to the the government of Canada, we looked at the situation. We said that perhaps a portion of this money could be used for this program but it had to be approved by the Government of Canada. I am not blaming anybody else, now do not get me wrong. All I am saying is that the federal government is a major partner in these programs that we are going into.

I must say for the record, they have been very cooperative in all of the efforts in respect to this particular agreement. It has been good for the Territory.

As far as I am concerned, Mr. Chairman, I do not have much more to say on this. Like I said earlier, we have tour operators

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leaving the Territory and that is going to have ramifications throughout the Territory, until we get this Dawson City situation fixed up.

It is unfortunate that government has to come forward. We could sit back and wait for ten years. I personally think that it is good utilization of finances. It is going to provide jobs, that the Honourable Member from the NDP was very worried about, the criteria of how money is being spent. It will create long-term jobs, not short-term.

Hopefully, most of the dwellings will be stick-built so it is going to provide jobs locally.

There are a number of major aspects that are going to affect the economy and give jobs to Yukoners, which may not necessarily happen.

I recognize that the Member for Riverdale South would like us to go to Vancouver and buy property with the idea that we will have just a bunch of trailers in Dawson. Well, I think there is a little bit more to this and I feel that with this assistance we can give the impetus for some building to take place, and in the long-term create jobs. It is not the government creating it, it is private sector, because people are coming, and they have to be able to buy the necessary services and, in the long-term, it is going to be good for the Territory.

Now, he can argue the pros and cons of it. Perhaps we should burn all the hotels in Dawson City and solve all the problems, I do not know. That is what the Member for Campbell is trying to advocate.

Mr. Penikett: I can understand the problem of the Member opposite, and I must say I sympathize with the philosophical torture that he is suffering, at the moment, as a result of this program.

He should not lose track of the fact, though, that he is the guy defending it and we are the ones, the people over here, who are criticizing it.

Hon. Mr. Lang: There has to be some good come out of this thing, you have to admit that.

Mr. Penikett: Into each life a little sunshine should come.

I am quite serious, and say to the Minister, that the Minister said he was not sure he liked the program.

Hon. Mr. Lang: Mr. Chairman,--

Mr. Chairman: Order, please, order.

Hon, Mr. Lang: I did not say I did not like the program, I said I did not like the government's having to intercede.

Mr. Penikett: Well, Mr. Chairman, I like the fact that when people have problems, or the community has a problem, that the government intercedes. I think that is wonderful, that is the way it should be.

What I am raising questions about is whether the right means were used to achieve the end stated by the Minister, of more quality hotel rooms in the area.

Mr. MacKay, yesterday, suggested that we should let the market dictate, and let the prices of rooms in Dawson go up to what? \$100 a night or more. I certainly would stop going to Dawson if they started charging that for rooms.

The problem is that the end may be achieved by this expenditure, but I go back to the point, again, that I think the Minister may have created a whole new generation of problems in attempting to solve one. That is always a problem when you interfere in something.

Let me ask the Minister something, because I do not think this problem is going to be solved by this program. He is not going to suddenly have the rooms he needs, and the problem of people sleeping in buses disappearing. It seems to me there are other reasons for that, simply a shortage of rooms. Is the Minister benefiting from the Maritime advice that he has in his department, and considering adopting or adapting, in Dawson, some of the programs that I understand now operate in Nova Scotia and Prince Edward Island, where they have adapted the British bed and breakfast model, where families in the area, and homes in the area, take in tourists on a nightly basis. I realize that this kind of accommodation would not suit the package tourists, the bus travellers, but it seems to me that if families were also encouraged, not just a few hotel operators, to put in an extra room in the house and fix it up so that they could accommodate visitors in the way that many European towns do, with bed and breakfast, or whatever; by giving that kind of incentive or assistance to a larger number of people in the community, he would take the pressure off hotel rooms, and allow the speculative travellers or the camper travellers, the people who come in cars, who drive in and do not have reservations, but are obviously putting a demand on the hotel rooms too, to be accommodated. Some kind of incentive, if he continues with this kind of program, could, in effect, achieve the same end he wants, but be more politically palatable in the sense that the benefits are spread more widely in the community.

I think that when you are talking about people's homes, the Minister is one to say, you are talking about their major commitment to the community, and if you are talking about something that assists them to fix up their homes in a way that is suitable to accommodate visitors, you are doing something which will be a permanent benefit to the community, and will not cause the people to suddenly reap a windfall and then disappear, because it is something that will stay there and will remain in the community.

While it does not operate on the instant solution, the big model of the new hotel or whatever, it may be a gentle, sensible way of relieving some of the pressure on hotel rooms in the next few years.

Hon. Mrs. McCall: Mr. Chairman, if I could just answer that speaker, the bed and breakfast idea is a marvelous idea and certainly works well overseas as well as in the Maritimes.

In Dawson, I guess I can guarantee that there is not a room available in the summer. I do not think anyone realizes how very tight any kind of housing is in Dawson. The influx of staff for the summer activities takes up every private room, just about every single room. Also, very few of the wives are home during the daytime to be able to provide breakfasts, for instance, even if it were possible. But, really, you have to live there, I suppose, to realize how very short of rooms they are. It is just absolutely tight as a drum.

Mr. MacKay: I appreciate being allowed to speak.

I think that just the quality of this debate and the length has proven that perhaps there are some ideas to be thrown out from this side of the House that do have some credence, particularly when the Member for Mayo gets up and leaves, the quality of debate really goes up.

We have heard a few red herrings, though, I think, Mr. Chairman, this afternoon. It was becoming apparent, when things were going a little badly here, that rather than YTG taking the credit for this program, the federal government was about to take the blame for it, and I think that that is an abrogation of your responsibilities.

I think the initiative for the program clearly came from here, and that that should be where the responsibility stays for it. I think we can then deal with it more clearly.

So, I will leave that red herring off to the side, having dragged it across Mr. Lang's path; I hope he will not pick up the scent.

The other thing is that I think that Mr. Fleming's remarks have to be listened to very carefully. You are listening to a pro in this field, a guy who makes decisions, who risks his livelihood in making these decisions. He sat down and he has done some figuring, and it is fairly clear from that that it is possible to build hotel rooms and make a profit in Dawson City. Indeed, the type of rooms he is referring to, I believe, were installed in Dawson City this year by a private entrepreneur. I actually stayed in one and they are very comfortable. They are made by the same outfit that manufactures the temporary school rooms that the former Minister of Education was quite happy to house our children in. If he feels the quality of these things is not sufficient to house tourists, then perhaps the government should be rethinking its quality of accommodation for our children.

I do believe that it is possible to build suitable hotel rooms, at the kind of costs that the Member for Campbell has suggested.

Government has, I think, gone out and made some statements and solicited some proposals where they have not yet spent money. That is good.

I think we still have a little bit of time left to try to find some way of moderating the problem. There are a few suggestions. We have heard one encouraging one, bed and breakfast. We have not mentioned Territorial campsites, which accommodate many Yukoners when they go up there, and do so well.

We have a business assistance program, for example, that we passed this spring, for which there are no funds. But the principles that we passed should be looked at in terms of how we can use some of the principles that we felt were okay this spring, and apply them to the situation in Dawson. What we want is business development in Dawson, and what we have is a set of rules which we have passed, for which we have no funding. Nevertheless, our philosophical framework, which you might well look at, part of which

was to have interest subsidized loans to businesses in the first five years of their operations. This was to give them that capital at a low cost to enable them to get through that crucial first five years.

I wonder if any Members on this side of the House would find it far more palatable if, in fact, it was not a grant of money you were giving, it was, in fact, a way of allowing somebody to build the necessary rooms with some assistance but not with an out and out grant. The fund could actually revolve, it could be paid back, it could be used elsewhere in the Yukon as the need arose for assisting the introduction of hotel rooms.

I am suggesting a compromise situation here, Mr. Chairman, because it is very easy to stand back and say that pure free enterprise principles say there should be absolutely no Government interference whatsoever with the private sector. I guess I am enough of a Liberal to find that perhaps there is some way of achieving that end, without entirely compromising the principles we have been elected on. I suggest that some way of applying the principles we have passed this spring in the Business Development Assistance Ordinance to this particular situation might, in fact, wind up producing more hotel rooms than the proposal presently proposes on a long term basis, and also in other areas of the Yukon, as and when the demand arises.

Hon. Mr. Lang: Mr. Chairman, I would just like to point out for the edification of the Member opposite, that, first of all, we are not discussing the *Business Development Assistance Ordinance*. This money is under the Tourist Subsidiary Agreement. There are certain terms and conditions under which this assistance can be allocated. I will say to the Member opposite, I do take responsibility for the program. I have no problem with that.

I was in Dawson City this summer, and I saw what was happening in that particular community. I also recognize the importance of the community of Dawson City to the Yukon tourist. I believe very strongly that we have to do something, and we have to do it now. There is no gentle way of approaching the problem. We have a major problem. It is at the point now where tour operators are not going to be going to the Dawson City community, in fact, may not even be coming through the Territory, which is going to affect the whole economy.

Now, I appreciate the suggestion put forward by the Member of the NDP in respect to the idea of bed and breakfast. I do not have time to go through Dawson City house by house to see whether people are interested in this type of a livelihood. I will pass on the suggestion to the Mayor and the Council, and perhaps they would be prpared to encourage it, because it does require municipal involvement. Two years down the road you may have a gentle approach to the problem.

I maintain that there is a problem there. We have to approach it now. We have. We have taken the initiative in concert, and in cooperation with the Government of Canada, who is prepared to go along with us on it to encourage people to provide rooms in the area of Dawson City.

I go back to the situation before. It is not that lucrative a situation. I mean we have five applications and that is it. So it is not as lucrative as the Members opposite are indicating; it is a long term business proposition. There have been proposals put forward very seriously. To my knowledge, most of them are local people. So there is commitment. All I am saying is that as far as I am concerned, I feel that if we have an avenue where we can assist in the long term economy of Dawson City through the Tourism Subsidiary Agreement, I think we are going in the proper direction. I cannot accept the proposition — and I cannot, under the guidelines, change the rules of the Tourism Subsidiary Agreement; maybe the Member opposite would like us to go to Ottawa and see if we can negotiate the Business Development Assistance Ordinance. Under this particular agreement, it is just not possible. The Government of Canada does not work that way and it is impossible to accomplish that.

Mr. Chairman, I think that we have spoken our piece on this. I think that in the long term it will be good for Dawson and for the Territory.

Mr. Byblow: I just have one thing to question the Minister on, in pursuing this a little further. In that this Government has made some provision, under terms of the Subsidiary Agreement, and in light of the very practical situation that has been very well explained, is the Minister going to assume the responsibility for extending this kind of a grant system to other communities? I am talking about Teslin, Haines Junction, whatever. In fact, even in my own community, there is a demand for additional hotel space.

which is directly related to tourism.

Hon. Mr. Lang: Mr. Chairman, I would like to point out that this is a two-year agreement. We do not even know if it will be renewed. I made it very clear what we are prepared to do in this one particular instance in the Dawson City area. Maybe two or three years down the road, there will be a requirement for it, but at this time, no. I do not even know whether or not the Subsidiary Agreement will be renewed with the Government of Canada. It is a two-year agreement, one-time capital assistance.

Mr. MacKay: Mr. Chairman, I would like to correct some statements of inaccuracy by the previous speaker. I was not pretending to impose the Business Development Assistance Ordinance upon this agreement. I was suggesting you take some of the ideas from that, be a little creative and try to use these ideas in the application of this kind of money. That was my point, Mr. Chairman, and it is only proper that I stand up and correct the Member, because either he did not hear me, or he misunderstood what I was saying for some reason.

That was a proposal that obviously did not meet with his favour. That being the case, I would like to ask one question though; because we seemed to start out talking about \$300,000 and somewhere in the course of this whole procedure, we got up to \$600,000; as mentioned by the Member yesterday, he said there was \$600,000 in this program. Perhaps I could have an explanation of that.

Hon. Mr. Lang: Mr. Chairman, the amount of money that has been made available under what is termed the "Tourist Incentive Program for the Dawson Accommodation Assistance", is in the area of \$600,000. That could be made available subject to the validity of the proposals, whether they meet the terms and conditions of the guidelines that have been set down.

Now, Mr. Chairman, I maintain that we have to wait to see how good the proposals are and to see to what extent money is to be made available for those particular proposals.

We might not even spend anything, depending on the validity of the proposals. I think we are jumping to conclusions right now, Mr. Chairman.

Mr. Fleming: I will not belabour this, we have got to get on with the business of the House, or we will never get finished. I can see that we are getting absolutely nowhere, anyway. However, there is still some advice to be given, and I hope the Government will listen sometime, because I would like to go back a few years to all the things that have passed this House. And they were passed with the Opposition being in total opposition to it, but it has never done any good. Look through your records and you will find another one today if you carry on.

The Minister is looking at a long term thing in Dawson City to be a good thing. I would say to the Minister that if money is given to any private enterprise, which this Government is supposed to back; the Progressive Conservative Government backs private enterprise to the limit, so they say. However, we have a project on the highway to Inuvik which we know about, which has now been set up, and now we have another one coming up in Dawson City. If this is not backing private enterprise, if \$600,000, which is a fair sum, is given to any one or two or three or four institutions, totally free, without paying back at all, then I would wonder who, in his right mind, would ever wish to go into Dawson City and really invest, if he could see a profit there some day.

Now we have heard that there are some criteria for this. Monies are going to be given to somebody. But really, we do not yet really know — I do not know if the Minister knows or has come up with a real idea of just how this money is going to be dished out. Is it just going to be given to them to build a hotel? I just do not get the drift. I would really like to see just what type of an agreement you would have with the people who are getting the money. You know, I could understand something that says if, in three or four years from now, they do not pay it back, you would own the place. But just to say that there is going to be money given to somebody in Dawson City, with no real explanation as to how it is going to be done, I just do not get the drift; I cannot go with it.

Hon. Mr. Lang: Mr. Chairman, I just want to get one thing clear here with respect to the comments that were made from the side opposite. First of all, I do not think the "private sector" is a dirty word as the Honourable Member is trying to imply. I would say that the private sector is people; people trying to do something, and we, as Government, represent all the people in the Territory. We are attempting, through this program, to aid the private sector in putting in, what we consider very important facilities in the Dawson City area so that we can continue to promote the Yukon as

an area for tourism. Tomorrow the Member will stand up and say, "The second biggest industry in the Yukon," which he does not disagree with.

I would further state to him, Mr. Chairman, that there are guidelines. There would be progress payments; they are going to have to come forward with a full proposal, what their plans are; how they intend to build them; what their time schedules are; progress payments, this type of thing. They have to come up with a minimum of 70 per cent, probably closer to 80 per cent of what those capital costs are. So do not give the impression here, Mr. Chairman, that the guy is going to go and build a hotel totally with government assistance. That is not the case at all. The problem is the high cost and the short space of time that they have,to get return on their capital investment. In the final analysis, as I said earlier, Mr. Chairman, the whole idea is to try to promote 100 more rooms being built in Dawson City, so that the visitor can be provided with services that he expects when he arrives there.

This is good for them, it is good for the people in Dawson City because it will provide jobs, and it spins off throughout the economy.

So I just think that the Member is right out to lunch.

Mr. Fleming: This sounds like the lunchbucket and the Home Owners' Grant that we talked about for years.

I am very glad that the Minister did enlighten us on the one subject that it would not all be a complete, outright giveaway, entirely. I am certainly glad that he finally came forth with that. It may have helped if he had come forth with the whole program and let us know what it was before we had to vote on it right in here.

Thank you, Mr. Chairman.

Mr. Chairman: Shall this item carry?

Some Members: Question.

Mr. Chairman: I would ask for those in favour of this item carrying to stand in their place.

This item is carried

There are no individually recorded votes in Committee, and that, Mr. Tracey, you can be thankful for.

Special ARDA Agreement, \$300,000.

Mr. Fleming: No, it is not absolutely clear, Mr. Chairman, I am sorry. Questions last spring that were asked in the House during the budget Session were not totally answered. They were not actual questions to the Minister. The Minister, at that time, did not say that he was going to get certain answers for us, but he was going to get some information for us that never did come forth, due to some of the changes. With no disrespect to the Minister, that is fine, he cannot help those things.

But I would ask the Minister now if he would get the information that I asked for last spring, which was, and I quote, the ARDA, Special ARDA and the DREE agreements, not necessarily the DREE agreements, that have been passed, the monies that were put out, what has been paid back and in what state that program is in today, especially the ones that have gone bankrupt, gone belly-up as we say, or in any other manner folded up.

Mr. Hanson: Mr. Chairman, I was in the portfolio when the Honourable Member asked that question and we did get facts together, but the Session had ended and I believe they still have a copy around somewhere of what did happen. I would have to point out that we only have a record of the Special ARDA agreements that we looked after or managed. The DREE people do not keep a record, do not investigate and have no record of what happened with the money; whereas, on the Territorial Government side, we do have a record and I believe the present Minister will be able to get that record for you pretty quickly.

Hon. Mr. Lang: Mr. Chairman, I should point out that we are talking monies for the 1981-82 year. I think the Member is referring to 1980-81 and the year prior, as to how the money was spent. I am more than prepared to get a resume done in respect to what monies have been allocated and for what projects. I have no problem with that.

I would suspect, Mr. Chairman, it would be more appropriate when we discuss the operation and maintenance side in the main budget, as well as the capital adjustment that would be made in probably February or March when the Session is called. Then we would have the whole year, 1980-81, in respect to the allocation of dollars and how they were spent, to give the Member the necessary information.

There is some information. It is not all there. I should add, Mr.

Chairman, that we are trying to get a handle in respect to the whole program. We have hired a special ARDA coordinator to try to see exactly how finances are being spent and how successful programs are. I do not think that we should be taking a totally negative approach to the program that the Honourable Member has indicated, so bleakly, talking about bankruptcy and various other aspects that have arisen in a couple of areas, because I think there has been a number of successes. I think that too often they are overshadowed by a few negative things that might well have turned sour. I can think of a couple in the area of the social aspects that are more important than others. One is a group home which appears to be successful. So there are a number of successes and we will outline just exactly from our perspective how we see it.

Mr. Fleming: I thank the Honourable Minister for his enlightment on things. That is what I am interested in, is the programs that this Government is participating in, and the programs where they are saying they are good programs, and they are not. I am very interested to find out if you have a coordinator who is working on that situation.

Hon. Mr. Lang: Mr. Chairman, I think that there are two aspects to it, where YTG does put in financing, and where the Federal Government takes total responsibility. There are actually two programs, depending on the variables of each proposal put forward, and I will try to get all the information together, and you can have a good look at it. You will probably have a real good day one day in the House next year.

Mr. MacKay: I am sure he will. I realize that we are going to be closing up shop pretty soon, but I would like to ask one question. Perhaps the Minister could bring it forward for next sitting date, if it is available. I assume that this Government, in the process of participating in this program, has laid out some guidelines as to what they see as being the kind of projects that they would support, and that there are certain guidelines that you have internally. I am not sure if they are available to the public at this point, or whatever. Could the Minister, in allowing us to look at what the \$300,000 is going to be spent on, although I appreciate you cannot tell me what it is going to be spent on because you have to wait and see what the applications are for, could you at least give us a copy of the guidelines under which the money will be spent.

Hon. Mr. Lang: Mr. Chairman, it is a very difficult situation, because each proposal comes forward to the special ARDA Committee, and each one is considered on its own merit. Basically the principles are, first, that it is not in direct competition with one or two other businesses in a small community, and the other aspect we are trying to adhere to, but in some cases we have not been able to due to other circumstances, the individual involved has to put up 50 per cent of his or her own money, so that there is a commitment by the individual.

Overall, it is a proposal by proposal scrutiny, and in some cases circumstances are different, so I think the best way to proceed is to have an outline presented to the House of how the money has been spent over the past year, probably in the next Session, so that it can be scrutinized by Members. As I said, there have been some failures and there have been some successes. You can evaluate the program accordingly.

Mr. MacKay: Could the Minister just clarify his saying that there are, in fact, other than the two restrictions — that I take to be restrictions — no written guidelines as to the positive aspects of what we are looking for? For example, does it generate employment? I assume that that must be written down somewhere, and if it is not unduly sensitive, could it be produced tomorrow.

Hon. Mr. Lang: Mr. Chairman, there are certain conditions. Other than that, I thought he wanted to talk about general principles that this Government is attempting to adhere to. But also, under the Agreement, there are certain conditions that have to be looked at in respect to the allocation of dollars. First there is employment; economic viability and various other factors that, Mr. Chairman, he is not going to learn anything from. It is like reading apple pie and motherhood.

Mr. Chairman: Clear? Some Member: Clear.

Hon. Mr. Pearson: Mr. Chairman, I move that Mr. Speaker do now resume the Chair and that you report progress on Bill Number 38.

Mr. Chairman: It has been moved that Mr. Speaker do now resume the Chair and that the Chairman report progress on Bill Number 38.

Motion agreed to

Mr. Speaker resumes the Chair

 $\mbox{\bf Mr. Speaker:} \ \ I \ call \ the \ House \ to \ order.$ May we have a report from the Chairman of Committees?

Mr. Hibberd: Mr. Speaker, the Committee of the Whole have considered Bill Number 38, First Appropriation Ordinance, 1981-82, and directed me to report progress on same, albeit small, and beg leave to sit again.

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

Some Members: Agreed.

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

Hon. Mr. Lang: Mr. Speaker, I move that we do now adjourn.
Mr. Speaker: It has been moved by the Honourable Minister of Economic Development, seconded by the Honourable Member for Whitehorse West, that we do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned.

The House adjourned at 5:08 o'clock p.m.