



The Yukon Legislative Assembly

Number 28

3rd Session

24th Legislature

HANSARD

Thursday, October 30, 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

(Liberal)

Iain MacKay	Whitehorse Riverdale South
Alice P. McGuire	Kluane

(New Democratic Party)

Tony Penikett	Whitehorse West
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(Independent)

Maurice J. Byblow	Faro
Robert Fleming	Campbell

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

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

Whitehorse, Yukon**Thursday, October 30, 1980 — 1:30 p.m.****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.**DAILY ROUTINE****Mr. Speaker:** Are there any Returns or Documents for Tabling?**TABLING OF DOCUMENTS****Hon. Mr. Pearson:** Mr. Speaker, pursuant to Section 41 of the *Financial Administration Ordinance*, I am very pleased today to table the Government of Yukon Territorial Accounts for Fiscal Year 1979-80.**Mr. Speaker,** if I may be allowed one moment, I would like to point out to the House that this is the first time in remembered history that this Government has been able to table these accounts pursuant to the legislation, before the deadline set in the legislation. The deadline, Mr. Speaker, is tomorrow.

I would also like to point out to the House that the Auditor General's Report is on page 3 and contains no qualifications.

Hon. Mr. Lattin: Mr. Speaker, pursuant to the *Liquor Ordinance*, Section 13(1) and 15(1), I have for tabling the Annual Report of the Yukon Liquor Corporation.**Mr. Speaker:** Are there any 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?

QUESTION PERIOD**Question re: Constitution/News Release****Mr. MacKay:** My question is to the Government Leader, with respect to the news release today, which perhaps could more appropriately have been given as a Ministerial Statement. In the news release, Mr. Speaker, the Government Leader suggested that the mobility clause in the proposed Constitution of Canada will cause Yukon severe problems and grievous harm. Mr. Speaker, will the Government Leader not really admit that this is a gross exaggeration made purely for political gain?**Hon. Mr. Pearson:** No, Mr. Speaker, and if the Honourable Leader of the Opposition honestly thinks that then I am appalled. He had better take a look at what happened in Fairbanks.**Mr. MacKay:** Since the Government Leader chooses to be so alarmed at this and to resort to this kind of emotional things, can the Government Leader tell us how, short of putting a barricade across the Alaska Highway, he had planned to stop immigration before this Constitution change?**Hon. Mr. Pearson:** Mr. Speaker, the terms and conditions for stopping or controlling the immigration were laid down by the Lysyk Inquiry four years ago. Mr. Speaker, those terms and conditions have been inviolate ever since. It is now thought, as a result of the amendment of the proposed constitution, that those terms and conditions will not be able to be agreed to. Now, we have asked the federal government whether or not this is true. We have not heard yet.**Mr. MacKay:** Mr. Speaker, it seems that my question was missed. My question that I would like to know: is there any mechanism that the Government Leader has in mind, of physically stopping Canadians from coming here seeking a job at any time?**Hon. Mr. Pearson:** Mr. Speaker, one of the major recommendations in those terms and conditions is that there would be

hiring halls established in Edmonton, Vancouver — there were three places in southern Canada — and that employees who were not Yukoners, and were to be hired for the pipeline by the proponent or their subcontractors for construction of the pipeline, would have to be hired in those hiring halls.

Mr. Penikett: Supplementary on the same subject. Could I ask the Government Leader, since for my part I share his concern about this constitutional development, exactly what action, beyond issuing this present statement, does the Government Leader plan to take to persuade Parliament and the Prime Minister of Yukon's point of view?**Hon. Mr. Pearson:** Mr. Speaker, I telexed the Prime Minister yesterday afternoon, pointing out to him our concerns in respect to this, and asked him for confirmation that it was his opinion that those sections of the proposed terms and conditions would have to be changed.

The Northern Pipeline Agency, Mr. Speaker, has determined that there is a problem. They have also, I am told, advised the federal minister responsible that this problem exists, as far as they are concerned.

Mr. Speaker, we are hopeful that the federal government will look at this, and see whether they will allow the terms and conditions to go ahead in spite of the fears that have been expressed by myself and a number of others. The alternative seems to be that those terms and conditions cannot be agreed to by the Northern Pipeline Agency with the Government of the Yukon Territory at this point in time.**Mr. Penikett:** Given the urgency of this matter and the rapidity with which the constitutional change process seems to be proceeding in Ottawa, is the Government Leader prepared to personally seek direct meetings not only with the Prime Minister, but other party leaders in the House of Commons on this question, and if he deems it advisable, also seek consent to appear as a witness before the Parliamentary Subcommittee on the Constitution, to make that Committee fully aware of Yukon's concerns on this important matter?**Hon. Mr. Pearson:** Mr. Speaker, I want to assure the House that the moment we know who the Chairman of the Committee is and what the procedure is going to be, we will be making as strong a representation as we possibly can to appear before that Committee. Our first concern, maybe even our only concern, Mr. Speaker, because I view it as being that important, will be the mobility clause of the Constitution.**Mr. Penikett:** I wonder if the Government Leader would also clarify for the House, if he could, the actions of the NPA in regard to this question. Can the Government Leader tell the House, if to his knowledge, the NPA are behaving on this question as an advocate of the position of the people of Yukon, or the Government of Yukon, to the Minister responsible for the Pipeline and the Northern Affairs Minister; or if the NPA, because of their divided loyalties, are obviously, in matters like this, in fact, carrying the ball for the Federal Government.**Hon. Mr. Pearson:** Mr. Speaker, I must go only on perceptions, conversations, and telephone calls now, because I have not got the documentation yet. But, Mr. Speaker, there is no doubt about it, it is my perception that the NPA is definitely an advocate of the Yukon position on this. They do not want to see those terms and conditions changed. They, too, have been working for three years with respect to this pipeline construction. And one of the major tenets has always been this one particular condition that has never changed in all this time.**Question re: Energy/Oil and Gas Reserves****Mr. Byblow:** I have a question for the Government Leader, as well, on the subject of energy. With the impending higher energy costs to Yukon as a result of the federal budget, coupled with the intention of the federal government to share in the development of offshore oil, a number of possibilities arise with respect to the Beaufort Sea.

Specifically, then, Mr. Speaker, can the Government Leader say whether the Territorial Government, will be becoming a partner with the federal government in cost-sharing and subsequent revenue-sharing of Beaufort potential?

Hon. Mr. Pearson: Mr. Speaker, we have one little hurdle that we have to overcome before we can talk cost-sharing or revenue-

sharing with the Government of Canada, in respect to the Beaufort Sea.

Because of an anomaly that we discovered, Mr. Speaker, a couple of years ago in the Yukon Act, Yukon does not have any constitutional right or legal right to any of the waters off the north coast of Yukon. They all belong to the Northwest Territories.

Mr. Byblow: Given that there was the opportunity for this Government to cost-share in the development, through special circumstance of invitation, would this Government support that stand?

Mr. Speaker: The question, I might say, sounds very hypothetical, but I will permit it at this point.

Hon. Mr. Pearson: I also really question whether the Honourable Member meant to say cost-share or revenue-share.

Mr. Byblow: Both.

Mr. Speaker, I said in reference to cost-sharing and revenue-sharing. However, to be specific on a specific energy matter, can the Government Leader say at this time whether or not there have been any discussions with the federal government or the operators of the Kotaneelee Gas Fields, with respect to the possible Yukon use of gas flowing from there?

Hon. Mr. Pearson: Mr. Speaker, we have looked into the feasibility of using gas from the Kotaneelee field, and this again is part of a whole energy package that we are putting together at this point in time. The practicalities of using gas from that particular spot are not very real, just because it is so far away from the major centre, Whitehorse, or so far away from one of the major users, Cyprus Anvil Mines. It is right in that southeast corner of the Territory. But, we are hopeful that some day we will be able to take advantage of the fact that we are an exporter of this energy source.

Question re: Ski Chalet

Mr. MacKay: I have a question for the Minister of Economic Development, concerning another of his projects that seems to be going off the rails. I noted, Mr. Speaker, that the squash court club has pulled out of the ski chalet project. Can the Minister tell the House how this will affect the future viability of the chalet project?

Hon. Mr. Lang: Mr. Speaker, I would be the first to say that it would be nice to have an addition to the facility that is going into place, but I do not think it will have any major implications as far as the viability of the chalet itself.

Mr. MacKay: Since this Government is investing approximately a million dollars in this project, Mr. Speaker, would the Minister not agree that additional facilities tied into that would have a beneficial effect on the cash flow of the project, and on energy saving and other related matters?

Hon. Mr. Lang: Mr. Speaker, it would be nice to have a number of additions to that particular facility. The Government has indicated — and the Honourable Member obviously did not hear — it has only so much funds. Through the Tourism Subsidiary Agreement, we are attempting to develop tourist-related investments, such as the cross-country ski chalet — which the Honourable Member could well use in one of his holidays that perhaps he may take to the Yukon.

I would further say, Mr. Speaker, that all I can say is that I am sorry they did get the necessary financial backing, that they did run into problems. It is unfortunate. Perhaps they can consider next year relocating by the ski chalet. As far as I know that is not totally out of the question.

Mr. MacKay: Since the Minister seems to be under the impression it was entirely a financial considerations that caused the pull-out, would he be prepared to investigate the allegation I have heard that the squash court is not being built because the place which was chosen for it has been used now for a ski trail by the management committee of the Ski Chalet Project?

Hon. Mr. Lang: Mr. Speaker, I do not know if it is allegation or otherwise. I would be more than prepared to check into it. I recognize that there is a responsible organization there, the Whitehorse Cross-Country Ski Association, who is largely responsible for the erection of that particular facility. I would further point out, Mr. Speaker, that in beginning his question he said that the program was off the rails; my understanding is that that is not correct and I would like to correct the record on that particular matter.

Question re: Dawson City Day Care Centre

Mr. Penikett: I have a question for the Minister of Health and Human Resources. The Minister confirmed yesterday that one condition she required for a \$7,000 grant to the Dawson Day Care

was the Day Care's silence on the arrangements. Can the Minister confirm that the other conditions were that the Dawson Day Care not approach YTG for more money for several years, and that the Day Care get a further two-year extension on Holdenby House lease through the KVA.

Hon. Mrs. McCall: Mr. Speaker, the Member opposite just amazes me. I made no conditions because I made no deal. I think the House is entitled to a definitive explanation of this. It is with regret and some sadness that I have come to realize that this subject is being used as a political football. The Dawson Day Care Society raised \$40,000 themselves to get their centre in operation. These are the facts, not the rumours. Literally there are no buildings in Dawson that could have been used without major alterations to conform to fire and building codes, yet they were not ready to open in time to be included in the Up-To-Standards Grant provided by the Government.

When the Cabinet visited Dawson they listened to an impassioned plea for help for this centre to be able to open their doors. Several Cabinet Members had a tour of the new centre. We said we would try to think of some way to help them open.

I would like to make it clear and final that had this center been in Teslin, Haines Junction, or Faro, the case for helping the center would have been just as worthwhile. It was not, and I repeat, it was not because it was my riding. The rest of Cabinet, whose riding it was not, felt sympathy for the predicament Dawson Day Care found itself in. From that time on I had no more to do with it.

The situation was discussed in Cabinet. There was nothing, nothing whatever under the counter about it, and I resent implications of this kind.

As the City of Dawson was arranging a loan from the Yukon Government, Cabinet thought that if the City of Dawson wanted to borrow a little more on their loan, the City could then make available monies to the Day Care Centre that would make it possible for them to begin operating. The Government Leader, Mr. Pearson, informed the Mayor of Dawson that this might be a way of helping the centre.

I must repeat that neither I, nor my department, had anything more to do with this arrangement. Asked about this possibility while I was in Dawson City during the visit of the Governor General and in Diamond Tooth Gertie's — by the way, I have to smile at the suggestion of a clandestine, secretive meeting. Anyone who has visited Diamond Tooth Gertie's in full swing will know what a likely place that would be for a secret meeting — asked in Diamond Tooth Gertie's about this possibility, I stressed it had nothing to do with me, nor my department. I stressed that. It was out of my hands, I could not say anything more about it, and until we knew it was a really viable way of helping day care, it was better not to say any more about it.

There was no use speculating about it until we knew it could work. There was nothing under the table about any of this. We simply did not know. That was a piece of advice, not a deal. I do not make under-the-table deals.

The upshot of this matter is that it was discovered that, according to municipal by-laws, these monies could not go towards the centre in this way.

Mr. Speaker, many ideas are tried and discarded in the running of government. This was simply a very well-intentioned effort on the part of Cabinet to help a group of people who are trying very hard to do something good. This well-intentioned idea did not work out. It is all quite open and above-board, nothing under-handed, nothing cloak-and-dagger, at all.

I must draw to the attention of this House, and the media, that it is very difficult to make something sinister out of something as wholesome as a failed venture to help a needy day care centre.

Mr. Penikett: Mr. Speaker, there are times when one wishes one had the opportunity to reply to the Ministerial Statements made during Question Period. Nonetheless, let me ask a supplementary question directly to the Minister. Does the Minister deny that, during the conversation with the Mayor of Dawson, in reply to the question of whether the money would be a grant or a loan that night in Diamond Tooth Gertie's, she told the Mayor of Dawson City emphatically that it would be a grant to the City, which would be made when the three conditions were met, which would then grant it on to the day care centre?

Hon. Mrs. McCall: Mr. Speaker, I deny, emphatically, that I made any conditions.

Mr. Penikett: This morning, on the radio, I had occasion to

comment on this case, and I wish to clarify the fact that the Minister's reply to me — the Minister of Education who was filling in — made it clear to me at the time that this money would not be forthcoming for this particular day care centre. Yesterday the Minister of Health and Human Resources suggested to the House that this was still an open question. Could the Minister of Health and Human Resources now say if in fact the question of a grant, or loan, to the Dawson City Day Care is till before the Government, or in fact if it is a closed question?

Hon. Mrs. McCall: Mr. Speaker, that particular arrangement with money attached to a loan to the City of Dawson, is up to the City of Dawson as far as I know. Except that that particular way has been found to be against municipal by-laws so that is not possible. Who knows, another way of helping that centre might come up.

Question re: Exemptions and Grants/Public Reminders

Mrs. McGuire: Mr. Speaker, on a lighter note, I have a question for the Government Leader. Most of us are aware that some of the elderly citizens tend to be somewhat forgetful and some are just not aware that certain exemptions and rebates are available to them: such items as property tax or utility grant rebates and et cetera. As a public service, Mr. Speaker, would the Government Leader consent to instructing his information staff to make public, through radio, T.V., or whatever, notices on the aforementioned as they become available?

Hon. Mr. Pearson: Oh, yes, Mr. Speaker. I believe that we do; I know that we have a policy that we do this now. I will ensure that it is being done and that all media are made well aware, so that all of the people can be made well aware of any of these kinds of programs that we have.

Question re: Employment and Job Creation

Mr. Byblow: I have a question for the Government Leader too on the subject of programs. I previously inquired of the Government Leader as to whether or not his Government would be taking advantage of a federal government \$800,000 job creation program. I now understand, Mr. Speaker, that a representative of the program is in Whitehorse and Yukon does not appear to be taking advantage of the program. In light of the Government's commitment in the areas such as alternate energy research, improved computer technology, and biology with the Game Branch, does the Government Leader not agree that his Government should perhaps be taking advantage of the program, so as to increase the job creation opportunities within this Government?

Hon. Mr. Pearson: Mr. Speaker, the Honourable Member is leaving an implication that Government can take advantage of this. Mr. Speaker, from what little I have seen and read of this program, Government cannot take advantage of it. It is specifically for industry. I have spoken to one of the industries in the Territory that I think might be able to take advantage of this program and I brought that program to their attention.

Mr. Byblow: The Government Leader appears to be saying very clearly that his Government is not entitled to take part in the program. Is that correct?

Hon. Mr. Pearson: Yes, Mr. Speaker, I do not believe that we are. I believe that the program is set up for industries and it is a cost-sharing arrangement on salaries for people who are involved in technology and research.

Question re: Alaska Highway Realignment at Morley River

Mr. Fleming: I have a question for the Minister of Public Works. Due to some of the horrendous accidents that we have had along the Alaska Highway in a certain area in my riding in the last little while, I would like to ask if the Minister is aware of any re-alignment or clearing, et cetera that may be done from Mile 776.9, approximately, to 779, on the Alaska Highway, in the Morley River area?

Hon. Mr. Lattin: Mr. Speaker, no, I am not aware of any at the particular moment. I would gladly check into it and let the Member know my findings.

Mr. Fleming: Is it not the Government of Yukon's responsibility to maintain the highway and that area also?

Hon. Mr. Lattin: Yes, Mr. Chairman, we maintain it.

I might add, Mr. Speaker, that we do not reconstruct that particular highway.

Mr. Fleming: I find this absolutely absurd. I cannot understand, Mr. Speaker, how a government does not know what is happening to something that they are looking after. How can this Government let out water contracts and so forth and so on, without

the knowledge of what is going to happen in the future, in an area which they are actually working on and doing maintenance on?

Hon. Mr. Lattin: Mr. Speaker, I did not say the Government did not know. I said I did not know. I am most certain that the Government is aware of it and I will find out for the Member and bring it back. I do not like the implication that we do not know what we are doing, Mr. Speaker.

Mr. Speaker, while I am on my feet, I had a question the other day from Mr. Fleming, again, about the liability in regards to ambulances and the answer is that all employees are liable for their actions in the performance of their duties. Ordinarily the liability is passed on to the employer.

Also, while I am on my feet, an answer to a question from Mr. Penikett. I will quote the question: "Can the Minister now state what specifically is the cause in delay, given last year's promise by the Government and the statement in report that there is land under YTG control available?"

Mr. Speaker, when I answered the question with respect to land availability in Whitehorse North and Carcross Valley, perhaps my answer was not as complete as it should have been. Therefore, in order not to mislead Mr. Penikett or this House, I would like to expand upon my previous answer.

Much of the land within the planning areas is under the control of the federal government; however, in the Whitehorse North area, there is some land under YTG's control that is suitable for rural residential development. The planning policy and objectives have now been adopted and it is the desire of the Government to implement the planning reports in the next few months, with a view to releasing rural residential lands in the spring and summer of next year.

The slight delay was necessitated for technical administrative reasons only; this includes the compilation of detailed mapping and the preparation of the implementing regulations.

Question re: Automobile Insurance

Mr. Penikett: Mr. Speaker, I thank the previous Minister for his answer. I have a question for the Minister of Consumer and Corporate Affairs. In answer to a question last spring about contracting out public automobile insurance with one of the provinces, the Minister informed me that, "in all cases the provinces rejected the possibility".

In view of a recent letter, in fact in June, 1980, from the Saskatchewan Government Insurance Corporation, offering to do a preliminary study of a cooperative arrangement between Saskatchewan and Yukon, I would like to ask the Minister whether he has had an opportunity to consider this offer.

Hon. Mr. Graham: Yes, Mr. Speaker, we have had a chance to consider the offer. I might add that the offer was never made to the Superintendent of Insurance for the Government of Yukon, hence the Department of Consumer and Corporate Affairs never found out about the offer made by the Government of Saskatchewan. However, we are more than willing to look into anything that would decrease costs to the consumers of the Territory, and in that light, we are going to carry out some preliminary discussions with the Government of Saskatchewan.

Mr. Penikett: Mr. Speaker, in previous answers, the Minister has made reference to preliminary studies and preliminary papers on which some conclusions were based, including those that lead him to the decision that it was not immediately viable. Would the Minister be prepared, at some time during this Session, to table any of those studies if they would prove informative to Members of the House?

Hon. Mr. Graham: Mr. Speaker, I am not certain how many of those papers are available, but I will check and report back to the House as to the availability of those papers.

Question re: Teslin School Busing

Mr. Fleming: Mr. Speaker, I have a question for the Minister of Education. As the Minister well knows, the school bus from Johnson's Crossing to Teslin was discontinued this term. I wonder if the Minister could inform the House as to the real reason for the bus being absent this year?

Hon. Mr. Graham: Mr. Speaker, the reason that the bus was discontinued is quite simple. I think we had a total of between eight and thirteen students riding a 40-passenger bus which was costing us in the neighbourhood of \$40,000 a year. We felt that, mostly in the interests of economy, we would discontinue the bus. We have made available to the people in the Johnson's Crossing area the subsidy paid to any person in the Territory who drives their children to

school. That subsidy is available and as far as I know they are taking advantage of that subsidy.

Mr. Fleming: Could the Minister tell the House when the decision was made to take the bus off? In other words, was this decision possibly made before it was decided to put Grade 11 in Teslin, or after that?

Hon. Mr. Graham: Mr. Speaker, not only was the decision made before Grade 11 was promised to Teslin, but they were informed before the decision was made that the bus would be taken off for this year.

Question re: Pipeline/Capital Project Funding

Mr. MacKay: I have a very straightforward question for the Government Leader. Is he still completely confident that the pipeline is going to be built through the Yukon?

Hon. Mr. Pearson: Yes, Mr. Speaker, very confident.

Mr. MacKay: A day or two ago the Government Leader indicated it was a policy of his Government to make Capital Expenditures in anticipation of the pipeline come out of current Capital Budgets: a pay-as-you-go policy, as we could say. Can the Government Leader explain, in view of his absolute confidence in the pipeline's coming, whether or not he has had cause to review this policy and perhaps take advantage of additional funding that has been offered for capital projects related to the pipeline?

Hon. Mr. Pearson: Mr. Speaker, as I tried to explain to the Honourable Member the other day, the \$200,000,000 that was offered to this Government is loan money that would become a first charge against our eventual taxation of that pipeline. Now, Mr. Speaker, from my point of view, the only way that we could win in that deal is if we borrowed the money and then the pipeline was not built.

Mr. MacKay: There are winners and losers and the losers seem to be communities outside the corridor, Mr. Speaker. Perhaps the Government Leader could indicate if he would be prepared to review this policy if Foothills are in a position to come over with the \$5,000,000 property tax.

Mr. Speaker: That question sounds somewhat hypothetical.

Hon. Mr. Pearson: Mr. Speaker, I do not see the relationship at all. There is absolutely no relationship between our ability to borrow \$200,000,000 as a first charge on our taxation, and Foothills' requirement to pay us \$5,000,000 this year.

Question re: YTG Employee Housing Buy-Back Scheme

Mr. Penikett: I have a question to the Minister responsible for Municipal Affairs and the Yukon Housing Corporation. Does the Minister, as yet, have an answer to the question I asked on October 21, concerning the employee buy-back scheme? Has he had an opportunity to examine that matter?

Hon. Mr. Lattin: No, Mr. Speaker, I have not. I anticipate having an answer on Monday for the Honourable Member.

Question re: Tahltan Indian Claim

Mr. Hibberd: Mr. Speaker, I have a question for the Government Leader this afternoon. It arises because of a letter that has appeared in our local newspaper, which has been signed by John C. Munro, Minister of Indian and Northern Affairs, under the somewhat capricious title of "Declaring Peace".

My problem, Mr. Speaker, arises from information given previously to this House by the Government Leader. In this letter, Mr. Munro claims that the funding, and I shall quote the letter "...The Tahltan Land Claim was far from secret. Discussions have been taking place with my department since March of 1979 —

Mr. Speaker: Order, please. I wonder if the Honourable Member could get to his question, please.

Mr. Hibberd: "...and the claim is accepted for negotiation on March 25, 1981."

My question, Mr. Speaker, is that this letter apparently claims that this has been subject to negotiation for a considerable length of time and the inference is that the Government Leader has been misleading the House, if he was aware of such negotiations but elected to tell the House otherwise.

Hon. Mr. Pearson: Mr. Speaker, I stated while speaking to Motion 13 at the opening of this House that the Government knew nothing about the Tahltan Land Claim until early October. It is true, Mr. Speaker, what we said. We did know nothing.

The Minister stated in his letter that the Tahltan claim was far from secret. Well, Mr. Speaker, this Government, which is part of the federal team, did not know anything about it. As I stated the last time I spoke on this subject, I do not presume to speak for the

Council for Yukon Indians or for the federal negotiator, Mr. O'Connor. But I am quite confident, Mr. Speaker, that neither of those parties knew of this claim either.

Mr. Speaker, it is just simply a case of our not being told. We did not know a year ago March, when the Minister claims that he received the claim; we did know on March 25 when he now claims that he accepted the claim or validated the claim. We found out, Mr. Speaker, when a letter from the Minister was tabled at Land Claims by the Tahltan people.

Mr. Hibberd: Further in this letter from the Minister of Indian and Northern Affairs, it is stated that he is establishing an office to create better liaison between local elected officials and his department. If the Minister is so interested in facilitating this communication, why is it then that our Government Leader is telling that he has been unable to establish any communication in the last several months?

Hon. Mr. Pearson: Mr. Speaker, I certainly hope the Honourable Member is not expecting an answer from me because I do not have one. Mr. Speaker, I do not really believe that the Minister of Indian Affairs and Northern Development is establishing this office in Whitehorse to further communication between this Government and himself. I just do not think that that is the reason for the office at all and I would question the validity of such an office.

Mr. MacKay: Supplementary, Mr. Speaker: I would like to ask the Government Leader a very direct question pursuant to the first question: the planted question, I would say, that was asked. In view of the fact that he has stated again and again that he knew nothing about the Tahltan Land Claims, can he explain why in the Government's own publication about the COPE claim, the Tahltan Claim is clearly marked as being a possible land claim. Can he explain this?

Hon. Mr. Pearson: Certainly, Mr. Speaker, and a number of others as potentials that are clearly marked and that does not detract a little bit from the fact that we did not know that there was a Tahltan Land Claim.

Question re: NCCP Board Member

Mr. Penikett: Mr. Speaker, I have an easy one for the Government Leader. In a supplementary to a question asked a few days ago by my friend to my right, the Member for the South, about the former leader of the Conservative Party now living in Peachland, is the Government Leader aware that Mrs. Watson appeared as a member of the NCCP Board before Whitehorse City Council on April 18th of this year?

Hon. Mr. Pearson: Mr. Chairman, I am aware of the fact that Mrs. Watson, with the Minister's approbation, was invited by the Chairman of NCCP to attend I believe two or three meetings of that board, either as a board or with other groups, as an observer. Because it was a well known fact, Mr. Speaker, that we, in this House, had nominated her for that position. Now, Mr. Speaker, there is nothing extraordinary about this. It has happened on previous occasions. In fact, Mr. Speaker, the present Chairman of the Board of NCCP attended a number of meetings of that board, once again with the Minister's approbation, prior to his becoming a member of the board.

Mr. Penikett: I thank the Government Leader for his answer and for his answer to my supplementary, which he anticipated. I was going to ask the Government Leader whether he was aware that the appointment did not take effect until July 17th.

On a similar matter, can the Government Leader explain to the House, or advise the House, on exactly whose recommendation was a prominent Liberal gentleman by the name of Mr. Cable named to the NCCP Board? Was it the recommendation of this Government, the present Liberal Leader, or the former Liberal Leader?

Hon. Mr. Pearson: Mr. Speaker, suffice it to say that this Government gets the opportunity to make only one recommendation for one position on the Board of NCCP. We made that recommendation in this House, Mr. Speaker.

Mr. Speaker: Order, please. The length of time for Question Period has now expired. We will proceed to Orders of the Day under Government Bills and Orders.

ORDERS OF THE DAY

Mr. Clerk: Second reading, Bill Number 61, standing in the name of the Honourable Mr. Pearson.

Bill Number 61: Second Reading

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Hon-

ourable Minister of Health and Human Resources, that Bill Number 61, *Third Appropriation Ordinance, 1979-80*, 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 61 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, I have no intention of making a speech at second reading in respect to this bill. The figures in this bill are identical to the ones I withdrew from the House last week. The reason for the withdrawal, as I stated at that time, was I thought that it could be presented to Members of this House and the general public in a clearer manner, and I trust, Mr. Speaker, that that is the case now.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Mayo, 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 Justice, seconded by the Honourable Member for Mayo, 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.

Committee will be continuing with their dogged perusal of the *Municipal Ordinance*, after a recess.

Recess

Mr. Chairman: I call the Committee of the Whole to Order. With the Committee's concurrence I would like to return to Clause 16 and cover Clauses 16 through 29, prior to resuming where we left off yesterday.

On Clause 16

Hon. Mr. Pearson: Mr. Chairman, I might point out that in 16(1)(a) the second word in the first line, mayor, is a typographical error.

Mr. MacKay: This seems to be a pretty straight forward situation. I am wondering about the Government's policy with respect to the timing of such changing of boundaries. It seems to me that some of the provisions would be a little hard to deal with, if we are talking about a change in a middle of a financial year. Would it be the Government's policy generally to consider these to occur on the first of January?

Hon. Mr. Lattin: Mr. Chairman, I think we would hope to make them at the end of a fiscal year type of thing, rather than in mid-stream. That would be my perception of it. I think that would only be logical.

Mr. Byblow: I note that section (e) makes reference to taxes due and payable to the Commissioner becoming due and payable to the new municipality. And then section (g) makes reference to monies owing for taxation being made payable to the Commissioner. There seems to be a contradiction.

Hon. Mr. Pearson: Mr. Chairman, this is strictly in the transitional thing. It is very conceivable that the Commissioner sent out the tax notices. If the transition did happen at mid-year, it might be that the Commissioner has sent out the tax notices. The Commissioner is then going to collect the money and give it to the municipality.

Mr. Byblow: This, perhaps, is not the area that deals with my question, but in the event of a special tax levy that is being placed on this new composition of the municipality by the Commissioner, does this have any bearing with respect to now being included in the municipality? Is there a change immediately in the taxation, to concur with the new municipality, or does it remain with the taxation rate imposed by the Territory?

Hon. Mr. Lattin: No, Mr. Chairman, I do not think that would be the case at all.

Mr. Fleming: I do not think that I heard that question. In (e), "additional area", that is an addition to the municipality. That does not mean that when a local improvement district is turned into a municipality or anything, this is just for an addition to a municipality. Is that right?

Hon. Mr. Lattin: Yes, Mr. Chairman.

Mr. Fleming: Okay.

Mr. MacKay: I would just like to, not really question, the suggestion that difficulties can arise from the changeover, with respect to overlapping of jurisdictions. I note under subsection (h), the usual catch-all: the Commissioner can do what he thinks necessary.

I think one of the things he would have to consider is where licences which have been levied on a Territorial basis are now falling into a municipal basis. You may find that there are some citizens who are actually having to pay twice in the one year. That kind of thing, I would hope you would consider under section (h), to ensure there be no hardship arising from such a boundary change.

Hon. Mr. Lattin: Mr. Chairman, I am awfully sure that we would take that into consideration.

Clause 16 agreed to

On Clause 17(1)

Mr. MacKay: I perhaps stand to be corrected on this, but it seems that this section provides that the only way for a dissolution to occur would be the population falling, in the opinion of the Commissioner. Is there any provision anywhere for citizens to initiate such an action, under this ordinance

Hon. Mr. Lattin: No, Mr. Chairman, there is not.

Mr. MacKay: Since, in a declining population, the property taxes and, shall we say, the accumulated mass of a municipality might become very onerous to a declining population, it would seem that the most logical source of any suggestions would be from the taxpayers of that particular area. No doubt there is nothing stopping them from getting on the phone and asking the Minister to do this. I am wondering whether there should not be some way, under legislation, of officially bringing it to his attention that they would like to have it dissolved.

Mr. McWilliam: What this indicates is that, as Mr. MacKay said, there is no reason that a citizen cannot pick up the phone and contact the Minister. The way that the Commissioner perceives that information is fairly flexible. It was felt that it would be unwise to leave in a provision for a petition since there have been, in the past, indications that that sort of avenue was exercised whenever anyone got aggrieved against something a municipality does. It is very easy to get up a petition. The case that you brought up of a municipality with a declining population, I believe Section 17 would cover that.

Mr. MacKay: I do not think it is a big point. Yukoners have a tendency to speak for themselves. I guess the other question I have is that it seems that the only grounds for dissolution are a decline in population presumably below the level of 300. I suppose that ties in with Section 10, that there is no way a municipality can be dissolved unless the population falls below 300.

Hon. Mr. Lattin: Yes, Mr. Chairman, that is the case.

Hon. Mr. Pearson: I think, Mr. Chairman, if I know anything about reading legislation, that it is not quite the case. It says, Mr. Chairman: "Where in the opinion of the Commissioner, the population of a municipality has been reduced to a level insufficient for the continuance of a municipality" I believe, Mr. Chairman, there is some flexibility there with that level. It may be the Commissioner's opinion that that level, in a particular community, is 350, or it may be that it is 250. I think that section gives the Commissioner the flexibility.

Mr. Fleming: Mr. Chairman, if I understand the Government Leader correctly, there is an area in there from three to five, so if anywhere in there the Commissioner deems that it is insufficient, because of lack of participation from the people in there, he can order the dissolution and then he can either let it go back to a village or it can continue as a municipality with an administrator. Is that the intention?

Hon. Mr. Lattin: Yes, Mr. Chairman, that is my understanding. I would ask Mr. Livingston to comment further on that though.

Mr. Livingston: Mr. Chairman, the section 17 deals with dissolution, and the Government Leader was quite correct in saying that the only manner through which a municipality can be dissolved is because of population. There are other provisions in the ordinance where the Commissioner can appoint an administrator in certain circumstances, but in that case the municipality is still not dissolved; it is just that the council is dissolved and an administrator is appointed.

Mr. Fleming: Thank you. Then I would ask whether that has to

be the case, if the Commissioner does that, or can he not dissolve the municipality in that same case?

Mr. Livingston: No, he could not, Mr. Chairman.

Hon. Mr. Pearson: Mr. Chairman, the Commissioner, in all good conscience, would have to be able to say that it is his opinion that the population is such that it cannot be a municipality any more.

Mr. Penikett: I always like to be helpful, Mr. Chairman. It occurs to me there might be one other possibility for dissolution and that is when two neighbouring municipalities grow to such a point that they are required to amalgamate, and therefore both the previous municipalities would be required to be dissolved.

Mr. MacKay: I think we could debate between ourselves. It seems to me there are other sections in the ordinance that take care of bringing in new municipalities.

I guess I am still not very clear on something that was explained and has been explained and has been explained, and that is with respect to the transitional situation with L.I.D.s. I appreciate that under Clause 9(4), I think it is, they are deemed to be municipalities the day the ordinance comes into force.

This section here cannot be used by them to appeal unless — I am suggesting there might be one L.I.D. somewhere that says they do not want to be a municipality. So, I am saying how does that L.I.D. get out of it? It is basically by negotiation, I guess, with the government, prior to the proclamation of this ordinance. I presume the government would then have to dismantle the L.I.D. before the ordinance came into force; that way it would automatically not become a municipality. I think the mechanics, it is probably just very hypothetical, but it is worthwhile in case there is some L.I.D. that decides to go this route.

Hon. Mr. Pearson: Mr. Chairman, I might be able to allay the Member's fears quite straightforwardly. The L.I.D.s are only deemed to be municipalities for the enactment of that one section of the legislation; nothing else, just for the enactment of that one section, in order to make themselves municipalities. That is the only reason. They are not deemed to be municipalities for anything else in the legislation at all.

Mr. Byblow: Under Section 2, in the event of a declining population and even perhaps subsequent elimination of a town, does the Territorial Government assume the unpaid debt of capital borrowings that no longer can be borne by a taxpayer because of the absence of one?

Hon. Mr. Pearson: Mr. Chairman, I do not know who else is going to be able to assume it. We are the senior government; municipalities are the creatures of this Government.

Mr. Tracey: Mr. Chairman, there is a typo in the last line of section 3.

Clause 17 agreed to

On Clause 18

Mr. Penikett: I have just one question about hamlets. Does the Minister have any minimum population figure in mind for the creation of a hamlet? In other words, if he had a request from a group of people on the Mayo Road, or south of Whitehorse, or some little place, Stewart Crossing perhaps, to become a hamlet, would he entertain such an application or does he have some notion of how small they could reasonably be?

Hon. Mr. Lattin: No, we have no limits of how few people there would be. I think that probably my perception of a hamlet is more or less as a commencement of municipal-type of government. My perception is that they are the people on the spot, and they would have some say in the direction in which their particular community would be developing. I cannot see two people, but within reason, I do not think numbers really pay a part in the establishment of hamlets.

Mr. MacKay: I would like to say that I think this is a really good section. I think that the idea of trying to develop some voice for the people in the smaller communities is a good one, because I think you have usually had to deal with the local community club basically, and they never did have a mandate to talk about a lot of things so I am happy to see this.

I am curious to know: there must have been some practical reasons for prompting this and does the Minister have, at this time, any list of proposed hamlets which would be formed?

Hon. Mr. Lattin: Mr. Chairman, I do. I just cannot find them.

Mr. McWilliam: Yes, Mr. Chairman. I think that before we talk about the list of proposed hamlets, we should indicate that what we

are looking at there is a community that has some sense of identity. In most cases, where we are normally dealing with a community club now, that would be the type of community that we would see as first becoming involved in hamlet status. It is also possible that some cottage areas, for example, Tagish, may wish to request hamlet status. So population figures vary somewhat there.

We have identified some communities, based upon population and our current operations in them, as being likely candidates for such status. They would include Carcross, Ross River, Old Crow, Pelly Crossing, Beaver Creek. I believe that is all on the basis of population.

Mr. Penikett: Mr. Chairman, I assume that, as the Minister said, we would not have hamlets except where there had been some expressed local desire for them. So, I would be curious; given that there would be an advisory body for the hamlet that is going to advise the Commissioner or whomever, in a couple of the communities mentioned there is already an elementary form of local government in the band council, Old Crow, Pelly Crossing, for example.

Would the Minister have it in mind in such cases, should they request hamlet status, to simply confer the advisory council powers on to the band council, or would he have it in mind to select some other persons?

Hon. Mr. Lattin: Mr. Chairman, in the provisions for a hamlet the requirements are a great deal more flexible than the requirements for a municipality. I think, when we would be considering a particular area — I believe the Honourable Member mentioned Old Crow — then I think the flexibility is there. We could take them in at the status of a hamlet under terms that would be acceptable to them and to the Government.

Mr. Penikett: I do not want to appear overly sensitive on this point, but I am sure the Minister would understand that there could be some problem if there was an advisory council and perhaps band council in a community like Pelly Crossing. There could be some tensions develop and some misunderstandings. I would like to ask the Minister if he would be prepared, in the case of, say Pelly Crossing, let us use that as an example; were it to become a hamlet, where there are very few non-band members permanently residing in the community, would he be prepared to see the band council function as the advisory council, were it to become a hamlet?

Hon. Mr. Lattin: Mr. Chairman, I would like Mr. McWilliam to explain how he sees this situation.

Mr. McWilliam: Mr. Chairman, in preparing the legislation, this section was drafted in such a way that it would be wide enough to provide for such an opportunity. There would have to be some protection against disenfranchising those members of the minority who live in that community as well. But, in answer to your question: yes, basically they could.

Mr. Fleming: Mr. Chairman, I notice throughout the ordinance, the sections for establishing municipalities, there is a criterion for coming forward with ten people or something. I notice for a hamlet there is nothing. The request then, I presume, as the witness has said, would possibly come from an association or something else; so there is nothing like this. I think that has answered my question.

My other question is: in the case such as the member in front of me has suggested, Pelly Crossing, or anywhere else where there is Reserve land, I take it then that you would have to get permission from the Department of Indian Affairs, in fact from the Minister of Indian Affairs, in conjunction with the chief of the band to do this very thing in this Territory.

Hon. Mr. Lattin: Mr. Chairman, that is not my perception, I should ask probably Mr. Livingston, is my perception correct?

Mr. Livingston: Well, certainly, Mr. Chairman, we would consult with the band chief and council, certainly there would be nothing preventing it?

Mr. Fleming: Yes, I would just like to make this remark, that there is nothing preventing it and that also it can be done, so if you were doing it, people would understand it was a legal way of doing it.

Mr. MacKay: Because of the interplay of two government levels, we have a bit of a problem I think. Perhaps it may not be a problem after Land Claims are settled. In view of the list of communities that were indicated as being potentials I think we may have a problem sooner. I am interested in how the Commissioner, may, by order, designate any area of land to be established as a

hamlet, and may provide services, may impose regulations, may impose taxes, licences; are we going to run into a very direct conflict with what is being negotiated at the land claims, if this section were to come into effect prior to the settlement of land claims?

Hon. Mr. Lattin: Mr. Chairman, I really do not know what the final outcome of land claims would be but I am sure that we would be part of a signature to that land claims, and if we had stated before if this or other ordinances have to be altered, I am sure that we would alter this one to take in the considerations that are in the act of settlement, as it were, of the land claims.

Mr. Tracey: Mr. Chairman, I too am having problems in my own mind, mixing these two levels of government. I am wondering: if, in a community like Ross River or Pelly Crossing, the Indian Band and the Department of Indian Affairs decided that they did not want the Indian Village included in the hamlet the L.I.D., the municipality or whatever, if that were to make the population base smaller, would it preclude the rest of the community from belonging to this hamlet or municipality, or would it not?

Hon. Mr. Lattin: Mr. Chairman, it is not my perception that it would preclude it.

Mr. Livingston: Mr. Chairman, it certainly would not preclude it. It would be a consideration in whether or not one would be established. It certainly would not preclude it and there is some flexibility there to allow it.

Mr. MacKay: If I could just follow up the previous question. I think he added that the previous question was not just for hamlets, it was also for municipalities. I think that is more to the point, actually, is if there is a village somewhere with a 400 population, and 150 of whom live in the band's side of it and 250 on the other, would that 250 number be the basic criterion for the establishment of a municipality, in which case it would seem to fall below the required minimum. Or would the Department be utilizing the full population of that area, even though a good portion of that population may not be included in the eventual municipality?

Mr. McWilliam: Mr. Chairman, I would suggest that those sorts of matters would be brought out during any inquiry that was held to decide upon the fate of a proposal to have a municipality. Obviously, if there was objection there would be an inquiry. I would also mention that, as we were discussing previously, the term is "deemed to be 300" so that there is some flexibility there. We are not tied into a rigid population figure.

Clause 18 agreed to

On Clause 19

Mr. MacKay: What is the Government's policy with respect to the formation of hamlets and the setting of property tax, licences, fees, et cetera? Would the Government be within the boundaries of the hamlet levying a different level of charge than prior to that? In other words, is there a cost to becoming a hamlet?

Hon. Mr. Lattin: Mr. Chairman, I do not think that we would change the status of the taxes, no. That would be my perception.

Clause 19 agreed to

On Clause 20

Clause 20 agreed to

On Clause 21

Mr. Fleming: On Clause 21, where a hamlet shall have an advisory council of five members which shall be elected; and a chairman shall be elected by the five, in all of the municipalities, picks the council as being allowed to set. So, my question was: is the council in a hamlet going to have the same freedom to set, say, whatever you might call it, wages or remuneration for the chairman, as the other councils in the municipalities would have for a mayor? Or is it a senior government decision?

Mr. Livingston: Mr. Chairman, it would be a government decision.

Mr. MacKay: The municipalities, Mr. Chairman, have the provision where the Commissioner could appoint members to their boards, and I see that the hamlets do not seem to have that flexibility — it is all "shall be elected". Further down we get to a quorum being three. I am just wondering if, in view of the history of L.I.D.s, where there seems to be a fairly heavy turn-over of elected members, whether there should be some provision that, if it is not deemed proper for a municipality, whether there should not be some provision for the Commissioner to be able to appoint some people to carry on, just in case there is a hiatus when there are not sufficient people to carry on the business?

Hon. Mr. Lattin: Mr. Chairman, the advisory council membership has been set at five members. Our previous experiences with the L.I.D.s has demonstrated that it is difficult to obtain a quorum and effective operation was only three. I think probably that why we are setting that particular number is our observations and our experience with existing L.I.D.s. Really, Mr. Chairman, hamlets, I would suggest, follow very closely the ideal that we have in the present L.I.D.s.

Mr. MacKay: I am glad the Minister agrees with me about these problems keeping quorums; I think that is what he said, Mr. Chairman, there have been problems with L.I.D.s maintaining a quorum. The number of L.I.D. was five also. We have the opportunity here, I think, to perhaps alleviate that problem by putting in a section that would allow the appointment of one or two members if it was deemed by the Minister to assist in the carrying on of the operation of the hamlet. I wonder why we have it in the municipality and not in the hamlets, where the need might well be greater in the hamlets.

Mr. McWilliam: I would suggest, to expand a little bit more on Mr. Lattin's previous remarks, that there was consideration given to the fact that it was difficult to maintain a quorum in these smaller communities, and that is why five was selected. We found far less difficulty maintaining quorums in L.I.D.s since the legislation was changed from three to five. That I believe is one safeguard. I would suggest that there are other provisions in here as well that could be used to avoid the problem you foresee with rapid turn-over.

Section 20 permits the Commissioner the prescribed procedures to be followed for conducting any subsequent hamlet elections. It is conceivable that in the case of a by-election the procedures could be very much curtailed to ensure that there was no lengthy delay. Also in Section 23 there is reference to setting a term of office for members, so if in a particular community you have very high turnover in population, you could look at having a shorter term, somewhat similar to what the community clubs now have with one-year terms.

Clause 21 agreed to

On Clause 22

Clause 22 agreed to

On Clause 23

Mr. Penikett: I just want to make sure there is no contradiction here between the powers of the Commissioner and the Inspector. It says here that the Inspector shall be responsible for the supervision of the activities of hamlet Advisory Councils and in carrying on his duties shall determine the qualifications required for membership on Advisory Council and qualification of voters. I want to know how much latitude the Inspector will have in that connection.

Mr. Livingston: I think this section does provide us, Mr. Chairman, with some flexibility, perhaps, in some areas. For instance, with a cottaging area such as Tagish, the voter qualifications may be somewhat different because of the seasonal occupancy of the area. So this would allow the Inspector to entertain those considerations.

Mr. Penikett: Mr. Chairman, I accept what the witness has said, I think it is quite reasonable. One question I am left with, and I leave this only as a comment to the Minister, is that many of the concerns that might be expressed in this regard for hamlets might also apply to villages. I think the problem of turn-over and the problem of insufficient population and excessively tight qualifications might well also apply to villages. Given that we have held over the section, I believe, governing the qualifications for electors and candidates in municipalities, the Minister might consider it worthwhile looking at for villages alone, at least — a clause like this to permit slightly more flexible qualifications. Because I do believe, having looked very carefully at the list of disqualifications given, that it is not unreasonable at all to think that in a village of 300 you could end up finding that eligible electors number only a couple dozen people.

Clause 23 agreed to

On Clause 24

Clause 24 agreed to

On Clause 25

Clause 25 agreed to

On Clause 26

Mr. MacKay: I am wondering what provisions, or what consideration, has been given by the Government to the funding of a

hamlet. This section would appear to require some expenditures by the hamlet. You mentioned, previously, that your ideal was close to the L.I.D.s, to do this, yet L.I.D.s had some kind of revenue-raising capacity. Has any consideration been given to that?

Hon. Mr. Lattin: I think Mr. Chairman, when we are talking about Municipal Aid, that is when we would consider this particular question that you are asking.

Mr. MacKay: I am just a little curious, because we are fixing a salary in this section. We are talking about perhaps, for the record, where would that money come from to pay this salary?

Mr. Livingston: Mr. Chairman, we would be funding the operation of hamlets directly through the department.

Mr. Fleming: This may not really be Clause 26 so I should have got it in a little more quickly.

At the general meeting, I am presuming, due to the fact that the Government is funding, as the witness has said, that the voting at an annual meeting of the general public would be for the general public and all electors, and not just taxpayers, in the hamlet situation.

Mr. MacKay: I do not want to stray too far into the *Municipal Aid Ordinance* and I do not suppose we are, because we have just been told that funding will not be included in municipal aid. I am curious to know what the department has in mind from an organizational point of view of hamlet; some of the places mentioned have municipal facilities, such as a community hall, curling rinks, and that kind of thing. Does the Minister see the hamlet taking over the management of that kind of thing: that is, putting the community clubs out of business in that sense. Do you see the hamlet council taking over these community facilities?

Hon. Mr. Lattin: Mr. Chairman, yes, I could see that but I do not say that would be an infallible rule. I should ask Mr. McWilliam probably what his perception is; his perception is not the same as mine.

Mr. McWilliam: Mr. Minister, your perception is always the same as mine.

I would think that there would be some difference there in terms of differentiating between the works and services; between what are traditional municipal services, for example, the water delivery program, and those services of a community nature, such as recreation, where there may be a viable organization perfectly capable of carrying them on.

Mr. MacKay: Yes, I would just like to pursue this a little further. In the instance where there is not a community association or a particularly vibrant one, shall we say, it is conceivable is it, Mr. Minister, that the hamlet council could take over the recreational facilities, and could be in a position to apply for funding under the various programs that are available and become a mini-city council, in some respects, just by running all of these things. I wonder if the Minister would agree that that would be a desirable end in itself, to have one cohesive group running all of the common facilities, municipal and recreational and so forth in a community?

Hon. Mr. Lattin: Yes, Mr. Chairman, I believe that really would occur because in these small communities, my perception is that there are going to be a certain few people who are going to be interested in it, and I can see that in most cases it would be the same people. I can see them amalgamating and looking after all of the facilities.

Mr. Fleming: I am glad to hear that, however, just to make the question a little plainer. I am sure that a community club, for instance, would have the possibility of turning the management of the club over, which is in the *Local Improvement District Ordinance* today; would that be the same concept in the hamlet concept?

Mr. McWilliam: Yes, Mr. Chairman, as Mr. Lattin has already indicated, there is opportunity for that. There is one significant difference, I believe, between the hamlets and any municipality or even any existing L.I.D.s and that is the funding arrangement. We are dealing with a hamlet advisory council who are going to be in a position to provide advice to the Territorial Government on the administration of services in their communities. Most of the funding will still come from the territorial level.

Mr. MacKay: Mr. Chairman, in practical terms then, would this mean that this hamlet would not have its own bank account?

Mr. McWilliam: Yes, Mr. Chairman, it is possible that they could have a bank account if, with the Government's blessings, they were operating and supervising some of the services as is

indicated in section 22. However, I think that the significant difference between this and an L.I.D. is that the L.I.D.s, at the present time, raise at least a portion of their own revenue through various functions.

Mr. MacKay: Sorry, Mr. Chairman, I do want to pursue this just a little bit, because I am always interested in money. If the hamlet is going to have the capability to run some of its own financial affairs, as is indicated possible by the previous answer, I am wondering whether the ordinance should not have some provision for the handling of these money matters? I know it is going to be, ultimately, the responsibility of the Inspector of Municipalities. I presume that is where the buck would stop. But I am wondering if it should not be in the ordinance that that is where the buck will stop?

Hon. Mr. Lattin: Mr. Chairman, I have no thoughts on that particularly. I think we have that adequately in hand. Perhaps Mr. McWilliam can elaborate on that for us.

Mr. McWilliam: Yes, Mr. Chairman, I believe it is very clear that the buck stops with the Commissioner. All properties, for example, are held in the Commissioner's name. The hamlet only provides supervision of the works and services, as the Commissioner requires them to. I would suggest that it is very clear where the ultimate responsibility is.

Clause 26 agreed to

On Clause 27

Mr. MacKay: I knew I could carry on under clause 27, Mr. Chairman, but I like to see some progress.

Mr. Chairman: We all like to see progress, Mr. MacKay.

Mr. MacKay: Mr. Chairman, when we talk about real and personal property, that may very well include the bank account of the hamlet. I am always interested in these things. I presume it means that there would be no requirement for audit of this money because the Inspector of Municipalities would be responsible for it.

Hon. Mr. Lattin: That is probably so, Mr. Chairman, I think this clarifies it. All the property and equipment shall be held by the Commissioner. I am sure, that being the case, that all necessary audits will be in place.

On Clause 28

Clause 28 agreed to

On Clause 29

Clause 29 agreed to

On Clause 168

Clause 168 agreed to

On Clause 169

Clause 169 agreed to

On Clause 170

Clause 170 agreed to

On Clause 171

Clause 171 agreed to

Mr. Penikett: Mr. Chairman, I realized I have a small problem with 170 which we have gone by, but I may be able to bring it up in another context; it seems to me it is a matter I have already raised in connection with another clause and that clause was held over for that reason. It specifically relates to the problem I have with villages, and making a distinction between the mayor and the manager, and between the chairman of the council and the foreman, which was not necessary, and I think the Ministers were persuaded the other night that it was an artificial distinction in connection with another clause. I just wonder, it seems to me if we leave that in there without also holding it over, it seems to me it is impossible to amend the other clause.

Hon. Mr. Lattin: Mr. Chairman, I did not perceive any conflict between this and the one that was held over the night. If the Member opposite has some problems, I have no problem with asking that that particular clause be stood over. I realize that I am saying this, Mr. Chairman; we would have to have unanimous consent because we have already passed that. So I would ask for unanimous consent and I would agree to have this particular clause stand over.

Mr. Chairman: Does Committee concur?

Some Members: Agreed.

Clause 170 stood over

On Clause 172

Mr. MacKay: Just a general: I presume the Minister has some

notes on this section and I am wondering if there is implied in the wording of this any change of duties for the mayor?

Mr. Chairman: You mean change, Mr. MacKay, from the previous ordinance?

Mr. MacKay: The previous ordinance.

Hon. Mr. Lattin: No, Mr. Chairman, I do not have anything that would indicate that.

Mr. Penikett: Mr. Chairman, with respect, I would guess this is an issue I do want to talk about in connection with this section, but the words "chief executive officer" may convey a slightly different sense. They may have occurred in the previous ordinance but there are other things that go on in this ordinance which I do think change the powers of the mayor. Previously the mayor, certainly from my experience in the City of Whitehorse, basically chaired council. You had a council/manager system; the mayor only voted in the case of a tie. This ordinance is going to require the mayor to vote on all occasions, and it also changes our system from a council/manager system into a mayor/manager system. I think that is something we ought to discuss very carefully.

So, I think Mr. MacKay's question, if I may say so, is a very serious one. Is that chief executive officer — I guess I could look in the old ordinance, the old phrase. If it is, then I guess we can hold the debate until we get to the meaty stuff.

Clause 172 agreed to

On Clause 173

Clause 173 agreed to

On Clause 174

Mr. MacKay: Would this section be analogous to the performance of the Chairman of Committees, Mr. Chairman?

Mr. Chairman: Much more difficult than this situation.

Mr. Penikett: Mr. Chairman, with respect, this begins what I think is some philosophical confusion about the council/manager system and the mayor/manager system. Here we are requiring of the mayor, at the beginning of the section, to formally play his chairperson role, to be the impartial arbiter in all questions, and to decide points of order. At the same time later in this section, we are going to require him to vote and state a position on all questions.

Now, anybody who has ever been in any small deliberative body knows that there are times when there are going to be hotly disputed questions, and that one of the things that happens in hot disputes is that you get procedural challenges and questions of order.

It seems to me that it is much easier for the person who is in the chair to decide those points of order, having not stated a position, or had to state a position on the question until such time as they do to resolve or simply to fix a tie. What we are doing now, I think in a way that is perhaps not appropriate, is deciding that the mayor is not just simply a member of council or the chairperson of council but is the "lead hand", if you like, or perhaps something more, the chief executive officer in a way, which has more meaning. I begin to have a problem if the two roles are in conflict.

It seems to me that the Chairman of Committee, here, obviously is a partisan politician like the rest of us. But when he is in the role of the Chairman of Committee, he does not express opinions on the bill; does not participate in the debate on the question; and is not required — unless it is necessary, absolutely necessary to resolve a tie — to vote on the question. I think that is a tradition that has evolved over thousands of years with very, very good reasons. It seems to me that the reasons for changing the system, as we have here, have not been explained clearly to me. Just from reading the ordinance, I not only do not understand them, I do not think I support them.

Hon. Mr. Lattin: Mr. Chairman, I think one of the instances, or one of the protections to preserve the neutrality of the mayor — and I cannot find the particular section but I do remember it is in here — is that on a voting procedure, he is the last person to vote. So I think that provision does give some credibility to his being neutral until the final count comes into play.

Mr. Penikett: With respect, Mr. Chairman, I must disagree with the Minister. If a person is bound to vote on an issue in a deliberative body of any kind, they are almost certain to be asked for their opinion on it, and, given that they are holding an elective office, they would be very inclined to give it. Having given one's opinion in the debate on an issue, it seems to me one has then effectively crippled one's potential or perception of one's role as an impartial chairman.

Now, I know we do not want to get excessively elaborate in our structures in a small body, but you may as well start now to talk about why we are going to a mayor/manager system as opposed to a council/manager system.

It seems to me that unless we are philosophically persuaded, and I think it has most impact on the City of Whitehorse, perhaps more than the other councils, but unless we are persuaded of the good reasons for doing that, I see no reason why we should change the present system.

Hon. Mr. Lattin: Mr. Chairman, with your indulgence, on the perception of this council/manager system, we all recognize the value of a council/manager system in that it improves the coordination of administrative activities, but, as Mr. MacKay said on Wednesday, democracy is not something that should not be discarded for administrative conveniences.

Even the strongest supporters of the council/manager system admit that its greatest weakness is the idea that it is possible to separate policy and administration in municipal government. Attempts to separate council from the administrative activities of a municipality leaves council trying to make policy decisions in a vacuum.

As you can appreciate, there are constant problems in attempting to decide whether a specific issue is routine administration or political. In small communities like Yukon, this problem becomes even more serious since it is hard to find a decision that does not have some political aspect.

It should be noted that the council/manager system discourages strong political leadership, and with the focus on the manager he is open to the image of a conspicuous public figure who becomes involved in political controversy that not only damages the political stability of the community, but also threatens the administrative efficiency for which the system is designed.

Our proposal has attempted to avoid these problems and I believe that we have acted in accordance with Mr. Penikett's advice to avoid the tendency to just adopt outside models without consideration of Yukon's circumstances.

Mr. Penikett: Touche, Mr. Chairman.

Let me say, though, I still do not agree with the Minister, even if he quotes me. The problem is this: the Minister has very lucidly identified some problems of the council/manager system. What he has not done, it seems to me, is persuade us that the mayor/manager system is an improvement.

If I can try and recollect some of the points made by the Minister, he talked about the problem of the manager becoming a focus of the debate. The observation that I made in my second reading speech that the manager sometimes appears to be the head of the government and the council appears to be the opposition and perhaps the mayor just simply Mr. Speaker. That can be a weakness in the perception.

However, given that we do not have a party system, if you like, at the municipal level, it is quite possible, the way our elections are run, that all of the alderman are elected, for example, in the City of Whitehorse, at large, as is the Mayor. That is different from the community, where the aldermen represent wards and the mayor is the only one who represents the whole city.

Given that situation, you could still have a mayor elected as was the case last time — I think the mayor got fewer votes than any of the successful aldermanic candidates — so in a sense, has less of a mandate, it is potentially arguable, less of a mandate if you want to use that argument. Even if you do not use that argument, let us go back to the problem of the lack of party thing. You could have a group on council which coalesced or came to a policy agreement on major issues, which was the majority group. At the same time on council, you could have a minority group — you do not have to call them parties, they just happen to be people who have some philosophical disagreements about these things and these could be shifting allowances and shifting blocks — but you could have a situation where, in every case, the mayor is in the minority, and yet you are going to give to that officer, because remember council does not choose the mayor, council does not elect one of its members as mayor, as is the case in some systems. You are going to give to that man, special executive functions in terms of directing the manager. I think that that may be unwise.

Remember you also have a section in this bill which means you cannot fire the manager except with two-thirds of the Council. You can have a situation develop, and there has been one community in this Territory where this has happened. The mayor has been abso-

lutely unbearable or has had a non-communicating relationship with the manager: a mayor who has been given, under this bill, special executive authority over that manager and yet they perhaps are not talking to each other. They cannot communicate. Yet so long as that manager, under this ordinance, retains the confidence of two-thirds of the members of that Council, that manager's position is absolutely secure.

I know enough about political science to know that someone who controls the lines of communication is very close to controlling the lines of authority. It does not matter how much you say that the mayor may direct the manager; if the manager no longer has the confidence of the mayor you have an impossible situation, so long as the manager retains the confidence of the majority of the council.

Now, as I go back to the beginning, I think the Minister very well described some of the problems we now have. What the Minister still has to do for me is to persuade me that his answer is the right one.

I see the former Minister is going to leap to the defense of auto-cracy, Mr. Chairman. Thank you.

Hon. Mr. Lang: Mr. Chairman, I would just like to make a couple of points. First of all, I do not agree with the mandate that the Member indicated with respect to the last city election, stating something to the effect that the mayor had less of a mandate than other council members. If you recall, Mr. Chairman, there were quite a number of people running for the aldermanic, and there were three running for the one position of mayor, so it was a question of voting for one out of three, as opposed to the other way around for the aldermanic. So, we can see-saw either way in respect to your argument on that point.

I think, Mr. Chairman, there are a couple of basic philosophical points that I think the Member is wise in raising. I think that the mayor has a special responsibility, a daily responsibility in any community to be working and giving direction to the administration of that particular community. You cite the case of where you have a lack of communication. Yes, those things have happened and they have happened, in my estimation in the short tenure that I was the Minister of Municipal Affairs, due to the fact that there appeared to be no clear authority for what the mayor's position was, with respect to the council, and, vis-a-vis, the administration.

I personally believe the mayor has run on a mandate against other individuals, and he or she is assuming the mantle responsible for the everyday decisions, in bringing forward major policy decisions for the consideration of the council.

I believe very strongly that that responsibility has to rest there and we have to ensure that that political responsibility is vested there in this legislation, because it was very, very unclear in the previous legislation.

The other point I would like to make, Mr. Chairman: when one runs for office, I feel he or she has a responsibility to ensure that the people who have elected him know what his or her position is on major policy matters. I believe that is very important.

I do not agree with the idea that the chairperson is impartial. I do not care what anyone says in respect to a municipal council, the mayor has his or her own philosophy and whatever. I think that you are better off in coming out in the open last. He or she can listen to the arguments. The legislation is designed so the individual can put his or her point of view forward at the end of the debate if that is what they wish to do, but they have to vote. They have to go on record saying they are either for or against. If the majority of the council says yes, this is the direction we go, and the mayor votes against it, then the council will probably take a bird's eye view of whether or not that policy decision is being undertaken; because, in the final analysis, the majority rules, and I think that is very important.

There is another very important principle here, Mr. Chairman. When one runs for office they run on their record if they have been in office any length of time. The present situation, with the way that municipal bodies are set up, nobody knows what the position of the mayor was, because he or she has not been forced to say they either support it or they do not support it. So, in respect to democracy and for people to be running for office, and hopefully the mayor's office will be a position that will be well sought after — how can one, in a debate, say whether or not the individual in the capacity of mayor and as a member of council has taken a certain position, because you do not know. You are better off running as an alderman at the present time because at least the aldermen have to be counted.

I, for one, personally believe very strongly that the situation should be changed; the major reason is to ensure that the administration is accountable directly to the mayor. Now there is that check and balance in the system where two-thirds of the majority has to ensure it comes up for review, but I think that is a very important situation because I have seen, as I say, in my brief tenure in my colleague's portfolio where — and I am not blaming anybody — the mayor or the chairman did not know where they stood.

They would say, well, do this or whatever; I have to develop a policy or whatever; it would not be done; yet, as you said, they control the lines of communication and maybe two-thirds of them said, well, that is fine, that is okay, it does not have to be done. This way, at least there is some executive authority there to give some direction, and I think that is important.

The last thing I want to see is the administration running the communities, because I think that then we are defeating the whole purpose of what this legislation is designed to do, and that is to encourage people to run for office; because responsibility and accountability are being built in, and also to encourage political maturity, so they cannot cop out and say the administration did it. In other words, with this system, the buck stops with the city council, and that is the people of the community.

Hon. Mr. Graham: Mr. Chairman, listening to the debate, I think there are a couple of points that most people seem to miss. The Mayor directs the Manager, the Chief Administrator Officer, only on policies as he is directed to do so by council. I think that is a very important point. The other important point is that it requires a two-thirds vote for that city council to get rid of a city manager only in the situation where there is no cause. The Mayor has the ability to suspend that employee at any point in time.

Mr. Penikett: Mr. Chairman, that is exactly the problem. We are not dealing with a parliamentary procedure. The Mayor has a broad mandate, as in a presidential system. He has a broad mandate. The council also has that broad mandate from the same electorate, the city as a whole. Not wards, not different units, but the whole electorate. The Mayor, under the previous system, was chairman of that council. If you like, we can use a Cabinet analogy; chairman of the cabinet, leader. When the Mayor speaks, the Mayor does not speak as an individual member of council with one vote. The Mayor must speak to the community for the council. He is the spokesperson for council, once council has made decisions on questions. That is the way it is supposed to work. It is an exactly unbearable situation if the Mayor is forced to speak on an issue, vote on an issue, while sitting in the chair, lose the vote, and then have to get up publicly and speak on behalf of council to a position directly opposite to what he said. That can happen to a Cabinet Minister. That can happen to a Government Leader. But, the Government Leader is not required, prior to doing that, to be put in the embarrassing situation of having to vote in some manner contrary to what his Government as his party has directed him to do, while at the same time chairing the meeting.

Let me make another point. Consider this case. You have a Mayor who can get rid of the City Manager, you are now saying, for a cause. But the Mayor may have lost absolute confidence of the council. The Mayor might be a minority of one on that council. The will of the people, the will of the community, is being expressed through the other five, four, or whatever it is, aldermen.

But the mayor decides that they have some kind of psychological or other problem, personality problem, with the manager. He may be a loyal and faithful servant of much tenure. You have some mayor who decides that he has some personal grievance — and a lot of people occasionally run for municipal office because they have personal grievances — with the city manager: the first act is to fire him for cause. The cause may be that he did not carry out some order that was made by the mayor. That is a perfectly normal reason for dismissal in most private operations. But the mayor may not have the confidence of council. However, council cannot vote out the mayor, as we could theoretically vote out the Government here. The Government Party could chose another leader or get rid of its chairman. That cannot happen here. The council may have lost a manager whom they want to keep, but they are stuck with a mayor whom they do not want to keep.

Hon. Mr. Lang: Well now you are blaming the electorate.

Mr. Penikett: No, I am not blaming the electorate. I am blaming this law which seems to me that will put managers and mayors and councils in untenable positions. It seems to me that the former Minister made the point about the mayor being able to say "You

can do this", so that the manager has got to do this and this and this. It seems to me that apart from the day-to-day things, such as having to have the Minutes ready for council, and routine things like that, for which the authority is already there in by-law; the only things the mayor can tell the manager to do, short of those routine things, are things that council has authorized the mayor to do.

But until the council has done that, consider where the mayor is opposed to the council, and if the mayor has no city-wide mandate, in a situation where the aldermen all represent little neighbourhoods—he is not like the Prime Minister of Canada who can say, "I am the only one who speaks for Canada while you guys all have your regional interests". Every member of council speaks for the whole city. And when council as a whole speaks for the whole city, the mayor, maybe a minority of one, is still the one who can "can" the manager, even if the council does not want him to, except —

Some Member: He could just suspend him.

Mr. Penikett: Suspend him. Let us say "suspend him". It does not matter. It still seems to me you are creating a potential for a very, very nasty situation. Instead of taking the manager out of the heat, out of the front line in any political debate, you are making him a bigger target than ever.

Hon. Mr. Lang: Well, Mr. Chairman, the speaker sounds very eloquent but when I look at it in reality and I look at the way things have developed over the past decade, I cannot agree with him. I am trying to determine exactly, is the Member going to the philosophical position that it should stay a chairman/council relationship as opposed to a mayor/executive/council relationship? I am not clear on what he is saying; he is talking about three or four different issues.

Mr. Penikett: There are two concepts, as I understand it, in local government — one is called the council/manager system, which we discussed, and the alternative being proposed here seems to be what is known as a mayor/manager system.

Mr. MacKay: I have listened with great interest to both sides of the argument because I honestly did not have an opinion when this started on the matter. I really did not detect that much of a radical change. We did pass a section last night that was pretty key to this whole debate which told the mayor that he had to vote, so in that sense we have sort of crossed that bridge.

Let me just try, in my own language, to clarify the issues here. I think our present system puts the Mayor in a position where he runs for office with his stated platform, and he has to state what he wants to do. He arrives in office with a council which may have been elected on completely contrary platforms. We then have a situation with the council controlling the policy, having to persuade the mayor that his policies are not acceptable at the moment. By the same token, the mayor, having been elected on another policy, is bound and determined that his policies are acceptable, and he has to try and persuade council to pass them.

It is so easy to talk about it because it happened so recently. We have just seen this happen. I am wondering what is really wrong with that. I do not think there is an awful lot wrong with that. It does not mean the mayor is impartial in policy matters; he is definitely partial in policy matters, because he is on record many times in saying what he stands for. So I do not see what the mayor's having a vote is going to do to change that. So to that point I do not really sustain the argument of the Member for Whitehorse West.

Then I get a little confused when we switch the thing all around and go back and say, how does a mayor deal with administration? What difference does it make, now that the mayor has shown his hand on a particular issue, when he goes to instruct the manager?

I do not think he is in a very much different position than what he was in before. I have never sat on a city council so I may stand to be corrected, but it seems to me that most people sitting round the table know where the mayor stands on any particular issue that is before council; regardless of whether he has to cast a vote, they generally know. They will be aware of the fact that he is against something that has been voted for, so nothing has changed here, other than the fact that the mayor has to publicly cast his vote.

Then we get to the question of whether, by putting the two-thirds barrier on letting the manager go, we are jeopardizing the authority of the mayor, or muzzling the authority of the council. What difference does that make?

I think the dynamics of the situation, Mr. Chairman, would be this: if the mayor and the manager do not get along, I do not see what difference the ordinance, in terms of the manager voting, makes to that. Maybe they do not get along, they are not going to

get along, it is just a separate issue. I think that is where I get a little confused.

I guess what it all comes down to, having talked out loud and clarifying in my mind, is that I think this system here is not really a major switch from the other one. It may be an improvement because it will make sure that the mayor does have a record of voting at the end of all this. The only possible objection I can see to it is that you will lose the chairmanship, which may leave a neutral chairmanship, vis-a-vis the public, that may be valuable in settling these things.

I do not think the spokesman thing really holds water, because I think that right now you can have the mayor, based on what he ran on election for, being opposed to a policy passed by council. He has to live with that conflict and the council has to live with it.

So, I do not think they are changing that.

Mr. Penikett: Well, let me say one last word. It has been a long time since I read my textbooks on this subject, but I think replacing the council/manager system with the mayor/manager system is something that we should not do lightly. I would say to my friend from Riverdale South that the question of the mayor voting was, I think, a symbolic thing earlier on, which I thought shifted his role slightly. But I do think the question of his executive powers is a very major shift.

Let me summarize my argument by saying I do not think that it will solve the problems that the Minister so eloquently identified. I predict that if you do it, you will not solve any problems; you will create for yourselves a whole bunch of new ones. And I think they may help — I can be sure of it in this city — colour people's perception of this whole ordinance, because I think the council/manager system, for all its flaws, is better than what is being proposed. You know, Winston Churchill once said — and some of you may know that he was a Conservative for most of his political career anyway —

Mr. MacKay: He was a Liberal in his younger days.

Mr. Penikett: Well, he was Conservative first, then Liberal very briefly, then he became a Conservative again, much like the careers of some of the people opposite.

He once said that democracy is the worst system of all, except for all the other kinds. And that is something like the way I feel about the council/manager system. We are very aware in these communities of the problems that they have had. But I urge you to think very carefully before you go to the system of creating the kind of strong mayor system without the electoral system to produce a strong mayor.

There are several ways you can produce a strong mayor system. One is you have your council system at large. You only elect aldermen. The aldermen choose, if you like, the majority leader or the strongest one among them to become mayor. When they do that, they have the support of council, they have the support of the majority of council, and that mayor can act with the authority of all the council. Okay? That is one way.

Another way you can do it is if you have your aldermen all elected in wards, so that they do represent pockets of the community, and the mayor is the only one that is elected at large.

Do not tell me that is not true. I have seen it in communities where you have a couple of aldermen with huge numerical mandates: wide popular support, perhaps a majority, and you have a mayor sneak through in a large field — it is not an unusual circumstance — who does not have wide public support and has a minority view on council.

It seems to me you have written a prescription here for a schizophrenic, not for a strong mayor.

Hon. Mr. Lang: Mr. Chairman, I just have to say that I disagree with the Member opposite. I would further say that his idea that it is all sweetness and light, that all the members get together and appoint a mayor, chose a mayor from their ranks, and there is going to be a solid core of support, I would just like to go on past experience; I happened to have been chosen in the previous government to serve on the Executive Committee, by the majority of Members of the previous House, and I will tell you, if that is your definition of sweetness and light, I do not want any part of it.

Clause 174 agreed to

Mr. Chairman: Recess.

Recess

Mr. Chairman: I will call Committee to order.

On Clause 175

Mr. Penikett: Mr. Chairman, before the debate was so rudely interrupted by the debate we had at coffee break, I was about to begin discussion on this section, but I am observing I belong to a political party where the motion "Shall the Chair be sustained?" is a frequent and colourful part of the proceedings. One of the things that happens to chairpersons who are not sustained by the meeting, is that they do not continue in that office.

Unfortunately this ordinance will provide for the installation of as long as their term of a chairman who may not be sustained with any regularity at all. There is also a problem in the five member body provided for in this ordinance, where you have two votes to sustain the chair, two votes to oppose the chair, that it should not be sustained, and under this ordinance the chair then casts the deciding vote that they should be sustained. Rather a peculiar provision, but one that I do not think would enhance the function of the chair as the impartial arbiter of the proceedings.

Given that we appear to be doing this silly thing about putting in this mayor/manager system, I suppose I should just say to the Government Members opposite: having created the system, they are welcome to it.

Mr. Fleming: Just one comment there. I have a little problem which is going to come up in the smaller areas that I think it is going to be a little rough on.

Most of the time the average votes will have to go four to one to be carried. Consequently, in the four to one, of course, the mayor would not necessarily be doing anything and everything would be fine and dandy. It is not too often it goes that way. The mayor is going to be voting most of the time, I would say, putting him in a little bit of a position.

Of course, Clause 175(1), as the Member has said, does just that, of course. You would never get rid of the mayor, in this case, and section (2) you do not need, because there is no way, if they are equal, that they are ever going to decide who they are going to put in the chair, so they will not need to worry about that one.

Clause 175 agreed to

On Clause 176

Mr. MacKay: Can I just inquire as to the apparent overlap of Clause 180 with Clause 176(1)(c)? I am not just clear as to who is going to be establishing these committees. Is it the kind of thing where it is anticipated the mayor would make the suggestion and the council would thereupon appoint?

Hon. Mr. Pearson: Mr. Chairman, it is clear. The committees are established by Clause 180. The mayor has a duty, once a committee is established, but with the wording "subject to Section 180", it is clear that the mayor cannot establish the committees on his own; it has got to be the council.

Mr. Penikett: We are on 176, as a whole, Mr. Chairman?

Mr. Chairman: Yes, Mr. Penikett.

Mr. Penikett: Just let me note, and I was not fully aware of all the implications of this before, but in 176(2), it is possible under this section, it seems to me, for the mayor to function both as the chief executive officer and the chief administrative officer.

I would just like to ask, in that event, how willing would the Minister or the Inspector of Municipalities, be, to have council vote not only an indemnity, but perhaps a salary, for the mayor, to enable him to carry out this function if it was becoming practically a full-time job, let me say, in a reasonably-sized municipality, perhaps a town?

Let me try this: let me talk about a real person in a real town: Rudy Couture. It seems to me that there has never been an election for mayor in Faro; it seems that the mayor has been in by acclamation every time. Rudy Couture, the competent Town Manager in Faro, runs for mayor and is elected. But the council decide that the mayor should continue to be the chief administrative officer because he is the best person they could possibly get. In order to do that we are going to have a salary in addition to his indemnity, which had been sufficient.

Would the Minister smile on such an arrangement, or would he come down on it with the wrath of the gods?

Hon. Mr. Lattin: Well, Mr. Chairman, I do not know whether or not I would smile, as the Member puts it. I do not anticipate having a problem there. I do not see where the problem could arise. I think if a problem did arise, a decision would have to be made then. At this particular time, I do not see how we can prevent that from happening. I suggest that it probably would not happen any way.

Mr. Penikett: Opposition Members, Mr. Chairman, are coming to relish and appreciate how successful a politician the Minis-

ter is becoming.

Mr. Fleming: Mr. Chairman, there is one little spot that shows where the mayor is put into a very compromising situation — where he has fired the manager, or some member of staff like that. You must remember that the mayor is the fifth one in that council. He fires the manager, or some other member of the staff, and the manager does not take it very well. He goes to the council. The council can then debate the matter and reinstate that member of staff. If there were two and two in such a situation, Mr. Mayor is going to have to go exactly against what he did, and be the one to cast the vote for that. If he does not cast the vote, well he is sitting in the same position again. So I really do not see a lot of problems coming up.

Mr. Chairman: Mr. Lattin, perhaps you could clarify something for the Chair. In reading Clause 176(1)(c) I read the preamble, "The mayor of a municipality shall, subject to section 180, may establish standing committees". Is there any problem with the semantics there?

Hon. Mr. Lattin: Perhaps, Mr. Chairman, yes, I think probably the word "may" would be better omitted. I would like that drawn to your attention.

Mr. Penikett: Perhaps with unanimous consent we could agree to recognize that as a typo, rather than proceeding with an amendment. I am just trying to speed things along a little, Mr. Chairman.

Mr. MacKay: To go back to my first question in this section, and I do have problems with it; the mayor seems to be under some — I am back in 176(1)(c) — kind of obligation when you talk about establishing subcommittees "for any purposes he considers would be better regulated and managed by means of such committees", yet it is the council who is establishing the committee. It seems to me that if the mayor then decided that this committee would not better manage these things then he could invoke this clause not to establish a committee; that seems to me to be the way it is written.

Hon. Mr. Pearson: Mr. Chairman, the way I read it, the city council decides that there shall be a committee established. They would have the authority to say to the mayor, "You establish the committee." This legislation says that the mayor shall establish the committee after he has received the instructions from the city council, and he shall also appoint members of the city council to the committee. He "shall" do a number of things.

Mr. MacKay: There is no doubt that that, Mr. Chairman, is the intent, but I just question the clarity of these two sections when read in conjunction together. It seems to me the council would be the one who would decide, in establishing the committee, what matters we better regulate and manage by means of such a committee. Is that not where the onus lies, the people who establish the committee?

Hon. Mr. Pearson: It could well, and if a council did say those things, then the mayor's duty would fall by the wayside, but it says "subject to Section 180". If the city council does not outline the various things listed here, then the mayor shall do it.

Somebody must establish the committee. The city council says there should be a committee to do this. What this legislation is saying is that if the city council makes that decision, then the mayor shall do this, he shall form the committee.

Mr. MacKay: I do not want to spend a lot of time on this, Mr. Chairman. I think what we all agree we want to have happen is what the Government Leader just said, but I cannot see why it would not be "pursuant to section 180", rather than "subject to". If it was a direct duty of the mayor to follow the council's orders in this respect, it would be "pursuant to" and that might solve the problem. There it seems to me that perhaps two thoughts got into these two sections at one point. One was giving the mayor some authority and the other was giving the council some authority.

I agree that the council should be the only authority to establish committees. All I am saying is that perhaps some further thought should be given to the wording of this section, and of 180, to ensure where the onus lies for forming a committee and also the purposes for which that committee may be formed.

Hon. Mr. Pearson: Mr. Chairman, it honestly seems that it is clear to me. If there are going to be standing committees established, the council makes the decision that the standing committee is going to be established. It then becomes the mayor's responsibility, subject to any further decisions that the council has made with respect to that committee, to ensure that these things are done.

In other words, the mayor has a direct legislative responsibility to follow the instructions of the council in the establishment of standing committees.

Mr. Chairman, it does seem quite clear to me.

Mr. MacKay: I cannot let it go; let me just read the sections that concern me. It says here, 'the mayor of the municipality shall, subject to section 180, establish standing committees for any purposes which he considers...', which he considers, '... would be better regulated and managed by means of such committees'. There seems to be a clear duality of authority there. He is the one who is supposed to consider the means, yet it is only the council who can establish the committee. I put that paradox to you, Mr. Government Leader, and if you are happy to live with it, I shall sit down immediately.

Hon. Mr. Pearson: I do not think there is a paradox there. I do not think we would run into a problem with it, Mr. Chairman.

Mr. Chairman: Well, I still have one further problem that might be considered typographical by Mr. Penikett and the Committee. In 176(2)(b) if we read again the preamble, '... the mayor shall in every case of suspension, shall report...'. We have again a redundancy of verbs. I am suggesting that one 'shall' is enough. In the second line of (b) we might delete the word 'shall'. Is the Committee agreed?

Some Members: Agreed.

Clause 176 agreed to

On Clause 177

Clause 177 agreed to

On Clause 178

Clause 178 agreed to

On Clause 179

Clause 179 agreed to

On Clause 180

Clause 180 agreed to

On Clause 181

Mr. Penikett: I would just like to know, Mr. Chairman—I may be wrong, but I believe this is a new power. Council, in my experience, has heard petitions; has heard citizens; has asked for people to come and make representations on things. The power that is now being given to a council: '... or any committee thereof, shall have the power under the signature of the mayor and the seal of the municipality to summon witnesses for examinations on oath as to any matters connected with or relating to the administration of the municipality'.

I guess I am, as a general rule, a supporter of the power of committees of this House to summon witnesses. If it is a new power for municipalities, I would like to know from the Minister under what circumstances he would see it being used.

Mr. McWilliam: Mr. Chairman, it is not a new power. The existing *Municipal Ordinance* provides identical provisions in section 35.

Mr. Penikett: In that case then, I would anticipate, since the second part of my question was not answered, that it would be used as a very unusual or rare device. Is that a correct understanding?

Mr. McWilliam: Yes, Mr. Chairman, it is a power that is provided for those exceptional cases where there is a serious matter in some dispute.

Clause 181 agreed to

On Clause 182

Clause 182 agreed to

On Clause 183

Clause 183 agreed to

On Clause 184

Clause 184 agreed to

On Clause 185

Mr. MacKay: One could not let this go by without comment.

Mr. Chairman: No conflicts, Mr. MacKay?

Mr. MacKay: No, I am not a treasurer, I am an auditor. I will tell you about that when I get to that section.

Section (f), it would seem to me that the treasurer should probably prepare more than a statement of revenue expenditures, at least once a year. I was wondering why it was limited to just these things, if what we are considering was his preparing annual financial statements, as it appears to indicate that may well be what is required of him at least once a year.

How about the suggestion of complete financial statements, as being a better description of what he should prepare at least once a

year, rather than a statement of revenue expenditures?

Mr. McWilliam: This was a section which was just brought forward from the existing legislation. We saw no significant reason to tamper with the wording of it. It has not proved to be a problem in the past.

Mr. MacKay: It has so.

I could correct that, perhaps, from an auditor's point of view that there should, I think, be some onus on the municipality to prepare their own financial statements rather than just merely a statement of revenue expenditures. I think that there should be more onus on the treasurer to do more than just that.

Mr. Penikett: Mr. Chairman, I can tell you from my experience at Whitehorse City Hall of a very elaborate and creative Fund Accounting System, I think it is called; I am sure the public would have been fascinated at times to know how much money there was in some of those funds, which reminds me, I think it was called the Road Equipment Replacement Account from the Territorial Government.

The point is: there is a question of legislative control, but I think also it is a difficulty for council members to get a grip on the finances if they are simply dealing with a statement, especially with a corporation as large as the City of Whitehorse, which has just a statement of revenue and expenditures, because they would not have a very good idea of what is going on.

I think the City of Whitehorse has been extremely fortunate to have some very competent, very clever, very sophisticated and even creative treasurers in its time. I think, from the point of view of not only the public but also from council members, I think that they would need much more information than would be provided by this section in order to do their jobs properly.

Mr. MacKay: Perhaps we could set this one aside, but my suggestion would be that it should be at least once a year with a complete financial statement. Or you could be more elaborate and just add "Balance Sheets" to it for all funds under its control.

Mr. Livingston: Mr. Chairman, I think the problem at hand is dealt with under Clause 248(1) of the ordinance. As we go through you will recognize that.

Mr. McGuire: Yes, without hunting for it, would monthly expense be in by-laws?

Mr. McWilliam: Yes, Mr. Chairman, under Section 185 the treasurer is responsible for keeping accurate and complete records of the monies of the municipality. One of the ways that is normally done is through monthly statements. That is where you would find that. Perhaps I could also add, in reference to Mr. MacKay's question about whether there is any conflict between the two sections, that 185 deals with the statutory duties for the treasurer only, and the other section that we made reference to, council is required to provide that information, but it may obtain the information from some other delegated official other than the treasurer.

Clause 185 agreed to

On Clause 186

Clause 186 agreed to

On Clause 187

Mr. Penikett: I just had a note here to see whether this section 187(1) conflicts with 176(3). It may conflict, Mr. Chairman, but I think it would be too picky of me to go into it right now. I was looking at 187(1) and 176(3), which is slightly different in its wording from the old ordinance and provides some force for the mayor/manager system.

In Clause 187(1), it says that the council may provide for the chief administrative officer. Most of which I have to say on the general subject I have already said.

Clause 187 agreed to

On Clause 188

Mr. Penikett: I have a question about 188. I assume that is what we are still doing, because there are three pages there that I had read, Mr. Chairman, and marked in the column. My hand is not as quick as my eye.

Section 188(5) is a very sensible provision: the council may by by-law appoint the same persons to two or more offices or positions. I would like to ask the Minister through the witness if he is sure that this provision will not cause problems in the following respect. There have been various statutory requirements for the chief administrative officer, the treasurer, and so forth where those two people are one and the same person; that the jobs or the

roles are not therefore in conflict for that one person. I just wanted to be sure from the Minister that that is a question that has been looked at.

Hon. Mr. Lattin: I do not think it is any problem, Mr. Chairman, but I would direct the question to Mr. Livingston.

Mr. Livingston: Mr. Chairman, we do not believe that there would be a conflict. This provision is in the existing ordinance and we have not found it to be a problem.

Clause 188 agreed to

On Clause 189

Mr. MacKay: I have some things underlined in this section. It is really in connection with previous clauses that have been set aside. When we are talking about the possibility of an elected person also having a salary, I would say at that point he could perhaps become an officer of the municipality and therefore run into this section head-on.

If we are talking about the mayor becoming the chief administrative officer, as is provided for, and being paid a salary, do we not run into a conflict at that point?

Mr. Livingston: Mr. Chairman, I do not think we were talking about the mayor and the chief administrative officer possibly being one and the same, at all. This section 189 is to deal with employees of the municipality and officers of the municipality, and not the elected representatives.

Mr. MacKay: I appreciate that the ordinance does not yet contemplate what we have just suggested, but I thought we heard the Minister indicate that this was something he could consider benignly, at least without the wrath of the gods, as I recall, as something that could happen, whereby the mayor became the chief administrative officer. To me, he might then become an employee and fall under this section. Of course, we have all the other provisions: a mayor can have contracts with the municipality and so forth, provided he does not vote. I just say that, if you are going to move these two positions of chief administrative officer and mayor together, which seems to be contemplated, then this section will become a problem.

Hon. Mr. Lattin: Mr. Chairman, Mr. McWilliam has indicated that he would like to add further to his previous answer.

Mr. McWilliam: Yes, Mr. Chairman. I do not see any problem with this section being considered at this point in time. The other sections that Mr. MacKay has referred to deal with a person in an elected office. If the decision is made to permit a salaried employee to assume elected office, we could make this section exempt him.

Mr. Penikett: Mr. Chairman, just let me say in passing that part of the problem we have with this kind of thing is the fiction that somehow indemnities and salaries nowadays are different things, that part of what we earn here is a salary and the other part is an indemnity. I do not think our bankers make much of a distinction, nor do our families. Municipal council members, of course, get an indemnity. Employees get a salary. We get both. That does not seem to me a problem. The council members get both.

The point that Mr. McWilliam just made seems to be fair. The problem is that if you get into a place like Carmacks, just for the sake of argument. We have already talked about the problem of splitting or disqualifying so many people if your electorate is very small, and it seems to me that you can have, in Carmacks, someone who is not qualified to run for office because their garage is selling oil to the municipality. Now we stood over that section. I do not know what we will finally do with it, but I would hate to see that person who could not sell oil to the village. That person might happen to be an appropriate person to be a part-time clerk, and to be the person to take the minutes at the council meeting, or something like that, to be disqualified.

It seems to me that we are considering rules for ourselves that would not prohibit that and it seems to me unnecessary to do what 189(1) proposes.

Clause 189 agreed to

On Clause 190

Clause 190 agreed to

On Clause 191

Clause 191 agreed to

On Clause 192

Clause 192 agreed to

On Clause 193

Mr. MacKay: I have some interesting, to me, anyway, questions on this clause. It seems to me that the Commissioner here is going to have the power to set up a pension fund for municipal employees. It is "the Commissioner shall", there is no "may" involved.

My question is: what happens to the existing pension plan which the employees of the City of Whitehorse already find quite satisfactory?

Hon. Mr. Lattin: I should give you a little background on this Municipal Employee Benefit Plan. In 1977, the Government of the NWT and this government undertook to explore the possibilities of developing a municipal employees' benefit program. Because of the small number of municipal employees in each of the jurisdictions, this joint approach was undertaken.

In 1978, both governments enacted simultaneously the *Municipal Employee Benefit Ordinance*. It is under this authority that both governments are now able to offer municipal employees a rather attractive benefit package consisting of retirement, death, and long-term disability plans. The *Municipal Employees Benefit Ordinance* will be repealed and inserted in this ordinance for convenience. Clause 193 to 199 inclusive are taken directly from the existing ordinance, with the exception of Clause 193.

The Government has an understanding with the Government of the NWT that the administrative detail of the benefits legislation will not be altered without joint agreement and discussion. This is necessary since there is a reciprocal agreement in place with NWT, and further reciprocal agreements with the provinces are being discussed. At the present time the plan is not optional to employees, where the employer has agreed to participate.

Clause 193 is intended to include the few remaining local governments who have not, as yet, enrolled. We believe that, in the interest of encouraging the financial municipal employment opportunities development, all municipal governments should participate in a completely portable and comprehensive benefits plan.

I would like to say, Mr. Chairman, that this is of great advantage to the small communities. They would not otherwise be able to enter into a plan. I feel that all municipalities should have the ability to move from one municipality to another and take their plan with them. It is my firm belief that this will enable them to do so. I also believe the municipalities will benefit, because there will be some stability and employees will tend to remain in their capacity as employees. I think we will then obtain better employees, by providing them with some permanency and stability under which they are protected. At the present time, as I see it in the small communities, employees are at a disadvantage.

Problems with the unions have also arisen. I am referring to Whitehorse in particular. I do not think that we will have any problems with the unions accepting this particular plan.

Mr. MacKay: I take it, from the last remark though, that the fact is that this does involve a change to the existing pension plan that is operating in the City of Whitehorse. Is that correct?

Mr. McWilliam: I am sorry, Mr. Chairman, I don't believe we got all of the question.

Mr. MacKay: My understanding is this: the City of Whitehorse has gone its own way in terms of setting up its own pension plan in the past and it has a perfectly satisfactory plan that it is quite happy with. Further, it is my understanding that they have looked at the Territorial plan and they do not think it is as favourable as what they have. I would like clarification, at least as to whether the first part is correct, that they in fact have their own pension plan.

Mr. Livingston: Yes, Mr. Chairman, the City of Whitehorse does have a pension plan available to their employees at the present time. Obviously, if this were to be implemented, there would have to be a transition period discussed and negotiated with the employer, who in turn of course would have to discuss it with the employees.

Mr. Fleming: I just have one question on 193(2), where it goes on to declare that 193(1), "the commissioner may declare this program to be applicable to any public boards or commissions or other bodies established by or under an Ordinance and thereupon this Ordinance applies in respect of such a board, commission or other body ...". As I understand it now, in this ordinance we have passed something which puts the administration of a program or retirement, death and disability plan, as it reads here, to water boards, electrical boards and so forth. Is it just in this ordinance, and why is "an ordinance", as it applies in respect to this ordinance.

Mr. Livingston: Mr. Chairman, this would only apply to boards established under this particular ordinance. It could include things like the Yukon Municipal Board, that is one that just comes to mind, or a Planning Board, or others.

Mr. Penikett: I cannot tell the Chairman how happy I am about the last remark. Just let me ask one question about this Government's pension policy. I am not equipped right now to debate the merits of this plan versus a city, as to which is better, or whether the city employees would want to subscribe to this, or what. I know from my own contribution, and based on that, one of the advantages of the city plan, as it now operates, is that there is employee representation in the decision-making level of that pension fund, as far as the investments go. In fact, that representation is there, I gather, so that the pension fund will make investments in Yukon, it is hoped, which keeps recycling the money in Yukon and will benefit the Yukon economy. The people who, in a sense, own the funds have some voice in how to invest them.

I do not know enough about Government pension plans to know if that is even possible, but I would be interested in my own, how the Minister feels about that principle.

Hon. Mr. Lattin: I have no particular feelings either way, Mr. Chairman, but I do know that in most jurisdictions, the other provinces that have plans of this particular type, that it is only practical that if these plans work in other jurisdictions, I feel that we should be going the same way.

Mr. Livingston: Mr. Chairman, the way the option is open under the existing situation, the Commissioner establishes a board to administer the program. Presently I happen to be Yukon's representative, or the Commissioner's representative. There is an appointee from the Government of the Northwest Territories and also the Superintendent of Pensions from the Province of Alberta.

So, I believe there is some flexibility for the Commissioner to appoint someone other than myself, for example.

Mr. MacKay: I am afraid of passing this section so quickly, having so little assurance as to what the effect upon long-time employees of the City of Whitehorse is going to be by passing this section.

From what I can gather, there really has not been any consultation that has gone on with respect to this. I think it is a very serious step the governments will take, if this section is passed and the ordinance duly proclaimed. We have suddenly affected the very lives and pocketbooks of people who have been participating for some time on a pension plan.

It may well be that when further information is available that this section might be quite acceptable; the new plan may very well be as good as or equal to or better than the existing one, but if it is significantly less beneficial to the employees of the City of Whitehorse, I think this Assembly should very seriously consider, before passing it, finding out exactly what the impact will be.

Mr. Livingston: Mr. Chairman, it is very difficult to judge at this point what the impact is, until you get right into the details of the program: their program versus our program. It has been looked at by our consultant, Bruce Shepp and Associates, and it appears obvious that the benefits under this program, because of numbers, are superior generally to the ones that are available to the City of Whitehorse employees at the present time.

I also believe, Mr. Chairman, there is a letter of intent with the union agreement in the City of Whitehorse that indicates the willingness to participate or consider this plan at any time, if this Government makes it mandatory.

Mr. Fleming: I just have one short question. In our *Local Improvement District Ordinance* before, the L.I.D. employees, I think I am right, were not considered government employees. I would ask now if an L.I.D. is turned into a municipality, under this ordinance somewhere and I think this would be the place to ask it, would they be considered as government employees?

Mr. Livingston: The employees in the L.I.D. of Teslin would be considered municipal employees and they certainly could participate in the plan.

Mr. MacKay: Perhaps the witness could just clarify that. It seems to me that if there is a letter of intent to consider something and then this Government makes it mandatory, there really is not much point in having a letter of intent. I am not sure how that helps us resolve the problem if they just said that they would look at it. Do they actually realize that we are about to pass it and it will become mandatory.

Mr. Livingston: Mr. Chairman, I can say the City of

Whitehorse is aware of it.

Mr. MacKay: Could I just perhaps clarify that. I thought there was a letter of intent between the city and the union, that as part of their union agreement, they would consider joining this plan. Is that the situation?

Mr. Livingston: My understanding, Mr. Chairman, the letter of intent indicates that should this Assembly make it mandatory in the City of Whitehorse, the employees of the City of Whitehorse would participate. I do not have the letter with me.

Mr. Chairman: The letter is from the City of Whitehorse?

Mr. Livingston: There is a letter of intent that is attached and forms part of the union agreement between the employees of the city and the employer.

Mr. Fleming: It says here that the Commissioner shall, pursuant to this ordinance and regulations, administer a program of retirement and so forth. He "shall" do this for all, so I would think it was mandatory, that this is going to be there. Is that true?

Mr. Livingston: That is true.

Hon. Mr. Pearson: Mr. Chairman, the program is there now, except for Whitehorse and Faro.

Mr. MacKay: If the program is there now except for Whitehorse and Faro, who is participating in it?

Mr. Livingston: Mr. Chairman, the majority of employers in Yukon are participating, not necessarily the majority of the employees. They would include Haines Junction, Watson Lake, I believe, Teslin, Dawson, Carmacks, Mayo.

Hon. Mr. Pearson: I am certain, too, Mr. Chairman, that it is going to be much more beneficial for those employees if the two major communities in the Territory are in that plan. It has got to make a tremendous big difference.

I can recall the set-back that the plan had after it was established and Whitehorse "opted out".

Mr. MacKay: That is the very source of my concern: that Whitehorse had a reason to opt out at that point. If what we are saying is that this Assembly is being asked to really equalize the benefits of municipal employees around the Territory and we recognize that in doing so we are going to, perhaps, bring up a long way those in small communities at the cost of bringing down those in the larger ones. I do not mind being told that this is what we are doing and this is why we are doing it. I do not know if I agree with it yet, because I do not know what the disparity is, but I think the way I understood the previous questions was that it really was not going to make any difference to the City of Whitehorse and the employees. It begins to sound like it does.

Hon. Mr. Lattin: Mr. Chairman, it is my understanding that it is not going to make any difference, with any discussion that I have had with them.

Mr. Livingston: There will be differences, there is no question about it, particularly in terms of benefits. The benefits are slightly different, and perhaps considerably different, depending on who is looking at it, between our program and the program that the City of Whitehorse has at the present time.

I would suggest, though, that our program is much superior to the one that is available. I might also add, Mr. Chairman, that when we started this program, the original goal was to have about 700 members. The insurer that was successful in bidding on the program bid on that basis. It has been in effect two or three years now, and there are only approximately 250 to 300 employees participating in the plan, so, as the membership increases, of course, the plan becomes more viable, financially, and in terms of benefits. In fact, because of the low number of employees at the present time, it could be in jeopardy; which, of course, would be to the detriment particularly of small communities, where they are just simply unable to put together a reasonable, viable plan.

Mr. Fleming: I think the question was answered, because the witness has said that the plan is better than the one they have now, and if that is the case I would agree with it. I would not agree otherwise.

Mr. MacKay: Perhaps it depends on where you are sitting, whether the plan is better. I think if you are sitting in Teslin, it sounds like the plan is going to be more secure. I think if you are sitting in Whitehorse you may wonder a little bit about that.

I think we should all come clean on this. I think that what the government has done is make a political decision. It is really nothing that the witnesses should be answering for. The government has made a political decision to co-opt the City of Whitehorse,

without choice, into the Territories' pension plan, which will make that pension plan that much more viable.

I think what I am saying is that you are making a very political decision here, and I think you should be answering for it. It should not just be something that just slips through.

I have great difficulty making that decision until I know just how much it is going to affect. If employees of the City of Whitehorse and the employees of Faro have been contributing on the basis of receiving certain benefits that they are no longer going to get in the same quantity or quality, then I think I want to know how much.

Mr. MacKay: Time is going on, I appreciate that and I do not want to waste the time of the House over this. My simple question is, can we have some report back to the House through the Minister, as to what the differences are. If it is small or slight, I would find it fairly acceptable. If it is a large significant drop in the benefits that these employees may find, then I want to know that.

Hon. Mr. Lattin: I will try to obtain, Mr. Chairman, that information for the Members.

Mr. MacKay: With that commitment, would it be possible to stand this section over, Mr. Chairman, I would appreciate it.

Clause 193 stood over

On Clause 194

Clause 194 agreed to

On Clause 195

Clause 195 agreed to

On Clause 196

Mr. MacKay: Since we have the member of the Municipal Employees Benefit Board here and in that capacity perhaps I could ask him about the portability of this plan. I presume it is only portable within the Territories, both NWT and Yukon, at the present time. Can he indicate if there are going to be reciprocal agreements between the provinces as well?

Mr. Livingston: Yes, Mr. Chairman, right now we have reciprocal agreements between Northwest Territories and ourselves. There is provision and flexibility to allow us to enter into reciprocal agreements with provinces. In fact the board is working on that now and will be meeting next month to try and set up some of the agreements.

Mr. MacKay: How about portability from one level of Government to another? I believe, when you transfer from the federal government to Territorial, you bring your pension with you, does the same hold true going from municipal government to Territorial or federal?

Mr. Livingston: Mr. Chairman, that question has not been completely resolved, however, we are working on that one as well.

Mr. MacKay: Thinking in terms of how to make a better pension plan and numbers being critical, is there no way in which municipal employees could participate in the Territorial Government pension plan?

Hon. Mr. Pearson: Mr. Chairman, the Territorial Government participates in the federal superannuation plan at the present time.

At the time this was set up there wasn't a means for municipal employees to participate in that particular plan.

Mr. MacKay: I always listen to the Government Leader's words very carefully. He said, "at the time this was set up there wasn't" Does that mean that at this time, in fact, there is, Mr. Chairman?

Hon. Mr. Pearson: Not to my knowledge, Mr. Chairman. I do not believe that anything has changed.

Clause 196 agreed to

On Clause 197

Clause 197 agreed to

On Clause 198

Mr. MacKay: Because this is a fairly technical question, can the witness perhaps tell me who controls the bucks that go into this fund? Are they sitting in a trust company somewhere? I guess I would like to know which company bid it and got it. Is this something that can be reviewed periodically to consider their performance?

Mr. Livingston: I believe, Mr. Chairman, it is Canada Trust. As I mentioned before, there is a three-member board that administers the program. In addition to that, the board member has retained the services of an actuary, Bruce Shepp & Associates, in Edmonton, to provide advise to the board.

Clause 198 agreed to

On Clause 199

Mr. Byblow: With respect to this section, and, I suppose, Section 194, in the composition of this particular clause, has consideration been given to ensure that there is no conflict, or contravention of, bargaining agreements that are already in place?

Mr. Chairman: You lose me, Mr. Byblow. Is this the regulation-making section?

Mr. MacKay: If I may, I think Mr. Byblow's problems are that the Commissioner is going to prescribe the terms, conditions and benefits of the program under which the employees will be brought into the program. The question is, is there a union agreement which says something else that may be contrary to this?

If I can answer it, too, I think there was a letter of intent, mentioned earlier.

Mr. Chairman: Yes.

Mr. Livingston: Mr. Chairman, I do not think there is any conflict with respect to clause 199, because right now it is optional. The employer may or may not enter the plan, so clause 199, of course, would deal with those persons who agreed to enter the plan. If there were any conflict, as Mr. Byblow pointed out, it would be with the clause we stood over, clause 193, making it compulsory to participate.

Clause 199 agreed to

Hon. Mr. Graham: Mr. Chairman, I move that you report progress on Bill Number 57 and request leave to sit again.

Mr. Chairman: It has been moved by Mr. Graham that I report progress on Bill Number 57 and beg leave to sit again.

Motion agreed to

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

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

Motion agreed to

Mr. Chairman: Thank you, witnesses.

Mr. Speaker resumes Chair

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

May we have a report from the Chairman of Committees?

Mr. Hibberd: Mr. Speaker, the Committee has considered Bill Number 57, the Municipal Ordinance, and has directed me to report progress on the same and ask leave to sit again.

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

Some Members: Agreed.

Mr. Speaker: Leave is so granted.

May I have your further pleasure?

Hon. Mr. Graham: Mr. Speaker, I move, seconded by the Honourable Member for Mayo, that we do now adjourn.

Mr. Speaker: It has been moved by the Honourable Minister of Justice, seconded by the Honourable Member for Mayo, that we do now adjourn.

Motion agreed to

Mr. Speaker: This House now stands adjourned.

The House adjourned at 5:28 o'clock p.m.

The following Sessional Papers were tabled Thursday, October 30, 1980:

80-3-30

Territorial Accounts for the fiscal year 1979/80

80-3-31

Yukon Liquor Corporation, Annual Report for year ended March 31, 1980