



The Yukon Legislative Assembly

Number 9

4th Session

25th Legislature

HANSARD

Tuesday, April 3, 1984 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Bill Brewster, MLA, Kluane

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government House Leader — responsible for Executive Council Office (including Land Claims Secretariat and Intergovernmental Relations); Public Service Commission; and, Finance.
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Municipal and Community Affairs; and, Economic Development.
Hon. Howard Tracey	Tatchun	Minister responsible for Renewable Resources; Highways and Transportation; and, Consumer and Corporate Affairs
Hon. Bea Firth	Whitehorse Riverdale South	Minister responsible for Education; Tourism, Heritage and Cultural Resources
Hon. Clarke Ashley	Klondike	Minister responsible for Justice; Yukon Liquor Corporation; Yukon Housing Corporation; and, Workers' Compensation Board
Hon. Andy Philipsen	Whitehorse Porter Creek West	Minister responsible for Health and Human Resources; and, Government Services

GOVERNMENT MEMBERS

(Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
Kathie Nukon	Old Crow

OPPOSITION MEMBERS

(New Democratic Party)

Tony Penikett	Whitehorse West Leader of the Official Opposition
Maurice Byblow	Faro
Margaret Joe	Whitehorse North Centre
Roger Kimmerly	Whitehorse South Centre
Piers McDonald	Mayo
Dave Porter	Campbell

(Independent)

Don Taylor	Watson Lake
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Clerk of the Assembly
Clerk Assistant (Legislative)
Clerk Assistant (Administrative)
Sergeant-at-Arms
Deputy Sergeant-at-Arms
Hansard Administrator

Patrick L. Michael
Missy Follwell
Jane Steele
G.I. Cameron
Frank Ursich
Dave Robertson

Whitehorse, Yukon
Tuesday, April 3, 1984 - 1:30 p.m.

Mr. Speaker: I will now call the House to order.
 We will proceed at this time with Prayers.

Prayers

DAILY ROUTINE

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

Are there any tabling of returns or documents?
 Reports of committees?
 Petitions?

PETITIONS

Mr. Clerk: Mr. Speaker and hon. members of the Assembly, I have had the honour to review two petitions, being Petition No. 1 and Petition No. 2, Fourth Session of the 25th Legislative Assembly, as presented by the hon. member for Whitehorse South Centre, on April 2nd, 1984.

Pursuant to Standing Order 66(1) of the Yukon Legislative Assembly, it is my responsibility to report whether petitions conform to the rules recognized by the House. These petitions do not in the following respect: they are not addressed to the Yukon Legislative Assembly, as required by Standing Order 65(1) and to Appendix 2 of Standing Orders.

Mr. Speaker: I must therefore rule that the Petitions 1 and 2 cannot be received.

⁰¹ Introduction of bills?
 Notices of motion for the production of papers?
 Notices of motion?
 Ministerial statements?
 This then brings us to the Question Period.

QUESTION PERIOD

Question re: Bear baiting

Mr. Porter: My question is to the minister responsible for renewable resources. In an interview aired this morning on the CBC, Mr. John Ostashek, President of the Yukon Outfitters' Association, quoted from a letter that he received from the minister's department on November 29, which stated "A number of laws in the area affected will also be relaxed to better enable the hunters to effectively hunt bears. These will include, but not be limited to, the use of baiting." Can the minister confirm that his department did indeed send such a letter to the Yukon Outfitters' Association?

Hon. Mr. Tracey: Yes.

Mr. Porter: On March 26th, on page 51 of *Hansard*, in reply to a question I raised with the minister regarding bear baiting, the minister stated "No, I did not make that commitment, I could not make that commitment." How does the minister reconcile the obvious contradiction of his statement to the letter dated November 29th?

Mr. Speaker: That question would appear to be argumentative, however, if the minister wishes to answer, proceed.

Hon. Mr. Tracey: I was not aware that that letter had gone out to the outfitters from my departmental people. However, I should also correct the statement that I made in the House. I did have the capability of allowing bear baiting. Bear baiting is not ruled by an order-in-council; it is an internal decision that can be made in the department, of which I was not aware. In the circumstances that we were dealing with, I would not have allowed bear baiting without taking it before my Cabinet colleagues to make a decision on, which I had not done. That was the reason I made that statement.

⁰² Technically, the decision could have been made without Cabinet agreeing to it.

Mr. Porter: I find it difficult to believe that the minister had no knowledge of the letter going out on November 29. It has been

suggested that because of the disallowance of bear baiting, at least one outfitter may cancel his hunts. Has the minister obtained a legal opinion as to the financial liability of his government with respect to not allowing bear baiting, which he clearly committed himself and his department to on November 29? Will he compensate those outfitters to whom he made the commitment to relax the laws to allow bear baiting?

Speaker's Ruling

Mr. Speaker: There seems to be several questions there. One I believe, as the Chair heard, was asking for a legal opinion, which would be out of order, but I think the latter question would be in order.

Mr. Penikett: Point of order, Mr. Speaker.

The member did not ask for a legal opinion. He quite clearly, in compliance with the rules, asked the minister if he had obtained a legal opinion, a question that is permissible under our rules.

Mr. Speaker: Perhaps I would now ask the hon. member if that is what the hon. member was asking for.

Mr. Porter: Clearly, in my question to the minister, I did ask if he did indeed obtain a legal opinion.

Mr. Speaker: Proceed.

Hon. Mr. Tracey: No, I did not obtain a legal opinion, and my department and I have consulted with four of the five members. The other member whom I tried to contact was not available, although I understand he is also in agreement. Of the four I did speak to, although two of them expressed some concern, they were all agreeable and they thought that we had made the right move.

Speaker's Ruling

Mr. Speaker: Before we do proceed, the rules do provide that one cannot ask for an opinion, legal or otherwise, of any minister.

Question re: Heritage services

Mrs. Joe: I have a written question for the minister of cultural and heritage matters in regard to her responsibilities in that area. I will read the questions for the record.

⁰³ Number one: what is your department doing, at present, to prevent artifacts and other related material from leaving Yukon?

Number two: what action has your department taken to protect the known historic sites in the area of the Tatchun-Frenchman Lake campground developments?

Number three: is it the policy of your department to consult with Indian bands before any construction is carried out at a known archeological site in a specific area?

Number four: what is the extent of the inventory being done on Yukon artifacts and other related material presently outside of Yukon?

Number five: when does the minister plan to introduce heritage legislation in this House?

Question re: Agricultural health inspection services

Mr. McDonald: I have a question for the Minister of Municipal and Community Affairs.

The minister, yesterday, expressed a concern that the provision of health inspection services to aid in the safe marketing of certain agricultural products might, at this time, unreasonably increase the bureaucracy. Has the Government of Yukon spoken to federal officials and local veterinarians to discuss the use of local, private vets as health inspectors until such time as the demand warrants the hiring of permanent inspectors?

Hon. Mr. Lang: That is definitely an option that will be considered when a decision is made on that particular matter.

Mr. McDonald: I am not sure what the minister said there. In a letter to the federal Minister of Agriculture, dated January 9th, 1984, the minister introduced Mr. Whelan to the Yukon agricultural industry and relayed five requests. Has the minister received any written reply from that minister, to date?

⁰⁴ **Hon. Mr. Lang:** I would be the last to say that I received a reply because the member opposite would be the first to ask to have it tabled in this House, and I would never want to refer to that. With

respect to the request that we asked of the Government of Canada, I will check to see whether or not, through whatever method was employed, to see if, perhaps, we did get a response. If we did, I will notify the member opposite.

Mr. McDonald: The letter sent by the minister to Mr. Whelan requests the establishment of an experimental demonstration station in Yukon. Can the minister tell the House what sort of response the minister received from the federal authorities, of any stripe, to this particular proposal?

Hon. Mr. Lang: The member opposite obviously did not listen to what I had said earlier. I will ensure that the member opposite is informed exactly what the position of the Government of Canada is on the five points mentioned by him.

Question re: Squatter policy

Mr. Penikett: I have a question for the Minister of Municipal and Community Affairs. For several years now, I have been asking the minister about his government's progress in formulating a squatter policy. Can the minister tell the House when such a policy will be tabled?

Hon. Mr. Lang: No.

Mr. Penikett: Under the present government policy, as it is evolving, has it been decided to permit the present occupants of Crown land an opportunity to purchase the land on which their homes sit?

Hon. Mr. Lang: That is definitely an option.

Mr. Penikett: The policy is emerging, word by word.

Has the minister considered formalizing the distinction now made by the city administration here between long-term squatters and recent arrivals in its policies towards squatters?

Hon. Mr. Lang: That is one item that is definitely going to have to be given serious consideration. It would have to be done in consultation with the municipalities with respect to their direct responsibility versus that of the Government of the Yukon Territory.

Question re: Logging exports

Mr. Byblow: I have a question of national, as well as local, significance for the government leader. We heard today of a Japanese interest in purchasing logs from a Watson Lake sawmill for box manufacture in that country. I would like to ask the government leader or his Minister of Economic Development to what extent has this government been involved in discussions and negotiations on that proposal?

Hon. Mr. Lang: As far as the Department of Economic Development is concerned, there has been no formal representation made with respect to the request that was referred to on CBC Radio this morning. I have personnel within the department checking it out with the proponents to see how much validity there is to that particular news report. Once I get that information, I will be in a better position to answer questions of the member opposite.

Mr. Byblow: I am alarmed that this government has no information on the subject. Perhaps I could ask a question of policy. Is it the policy of this government to support the raw material export of our resources, or is it policy to encourage secondary manufacture of our resources before export?

Hon. Mr. Lang: The answer is obvious. We would prefer secondary processing if possible, but if it is not possible, obviously if there is a marketplace that is available, and is going to put people to work throughout the territory, then we have to give serious consideration to the exporting of those primary resources.

I should add, it is not the decision of this government, as the member opposite likes to have the public believe. It really is the responsibility of the Government of Canada at the present time.

Mr. Byblow: Responsibilities suit governments, depending on benefits to themselves. I would like to pursue one aspect of the proposal that was raised in the newscast relating to transportation. I would be curious if the minister, or the government leader, could advise as to why a road option is more preferable than a rail one to the interested parties?

Hon. Mr. Pearson: I heard the same news broadcast. That was not the option. It was not road as opposed to rail. The option was

the port. That gentleman said that he would rather haul his logs, logically, to Skagway than to Haines. That is all he said. I did not hear any discussion of rail as an option at all.

Question re: Moose population

Mr. Porter: The minister has constantly stated in this House that the moose population in Game Zones 7 and 9 were in serious trouble. I would like to ask the minister, in light of this fact, why, on March 30th his department announced the continued hunting of moose in the more accessible areas of Game Management Zones 7 and 9?

Hon. Mr. Tracey: Hunting is for bull moose only and it is for only a two-week period. The department does not feel that that will have too much adverse effect on the moose in the area. The cow moose are becoming sufficiently pregnant to carry the moose population and there are enough bulls around to service the cows, so, it was felt by the department that a two-week hunting period would not be detrimental.

There is also the aspect of the argument that we do want to remove some bears out of the area and one of the ways we want to have them removed is by local hunters. It is felt that if they are hunting moose, perhaps, they will take a bear, as well, if they run into one.

Mr. Porter: Since 1975, certain sub-zones of Game Zone 7 have been closed to hunting, yet, on March 30th, the Department of Renewable Resources announced that it is allowing the hunting of caribou in these sub-zones. Given the overall concern for the health of ungulates in Game Zone 7, why has the department made a decision to harvest caribou in the areas, which has been closed to hunting for at least eight years?

Hon. Mr. Tracey: I think that should be fairly elementary. The department has reviewed the number of caribou in the area and feels that a small hunt — a permitted hunt — could be allowed in that area and that is why it is going ahead.

Mr. Porter: So, I hear the minister saying that the predators are being very selective in the species that they take.

In studies released by the Department of Renewable Resources, the government admits that little or no data exists on the health of sheep or on the impact of predators on the sheep population of Game Zone 7. Why is it that on March 30th the department announced measures to increase the number of sheep that may be taken in certain sub-zones of Game Zone 7?

Hon. Mr. Tracey: Because, in certain sub-zones of Game Zone 7, there are ample sheep. I should also inform the members that we are also doing a predator sheep study in the area and that is partially funded by the American Foundation of Wild Sheep.

Question re: Incarceration rates

Mrs. Joe: I have a question for the Minister of Justice.

A year ago, I asked these very same questions and did not get an answer and I am asking again. Since the cost of each inmate is in excess of \$80 per day and the Fine Options Program has not been in effect since March 5th, 1982, will the minister inform this House:

(1) when the government intends to replace the Fine Options Program; (2) the total number of persons incarcerated since March 5th, 1982 for failure to pay fines; (3) the total number of days, since March 5th, 1982, served by persons incarcerated for failure to pay fines; (4) if he will continue to monitor the situation until a replacement for the Fine Options Program has been implemented; and (5) the total cost to the Government of Yukon since March 5th, 1982 to keep persons incarcerated for failure to pay fines?

Question re: Land clearing assistance

Mr. McDonald: I have a question for the Minister of Municipal Affairs. During the Throne Speech debate, there was some limited discussion regarding the provision of some kind of assistance to farmers who must clear land. I believe it was suggested by the member for Hootalinqua. Has the government made any decision as to whether it will institute a program allowing land clearing grants or low interest loans?

Hon. Mr. Lang: No, that is one of the reasons that we, in consort with the Livestock Association, invited the representatives

from the Farm Credit Corporation. We are very pleased to see that line of financial assistance could be made available if an individual chooses to participate in that particular program.

Mr. McDonald: In many jurisdictions, governments are actively considering a program of interest rate relief for farm ventures. Has the minister established whether there is a need in Yukon for such a program?

Hon. Mr. Lang: It is not our intention to get into that type of program, but other federal programs are available. As the representative from the Farm Credit Corporation indicated, if an individual met certain criteria, he or she could be eligible for that particular program. I do not think it is our intention to duplicate those programs, as a government.

Mr. McDonald: Of course, the provinces do not always depend entirely on federal programs to support farmers. A concern has been related to me that some otherwise unemployed persons engaged in farming have been unable to apply for NEED funding to upgrade their farms. Has the minister discussed this problem with the federal sponsors of the NEED program and, if so, what has been decided?

Hon. Mr. Lang: Obviously, it is just something that either the member dreamed up or just came to his attention. I have never heard of a problem in this particular area. If he wants to meet with me privately, I would be more than prepared to discuss the issue at hand. I am very much at a disadvantage in the House, which the member opposite would never want me to be in.

Question re: Yukon Public Staff Relations Board report

Mr. Penikett: So is the disadvantage of being Minister of Agriculture.

I would like to ask a question now of the government leader in his capacity as the minister responsible for the public service commission. The 13th Annual Report of the Yukon Public Staff Relations Board, which was tabled in this House, states that there were in the last year under review additional proposals for designated employees and post certification designation of managerial and confidential exclusions. Could the government leader indicate anything to the House as to the main reason why there were these additional requests for designations?

Hon. Mr. Pearson: Right off the top of my head, I cannot state anything specific. However, I will undertake to find out for the member.

Mr. Penikett: During the year under review, the board also reported the reappointment of adjudicators under the terms of the *Yukon Public Service Staff Relations Act*. I would like to ask the government leader if he can tell us about the method of these appointments. Are there any courtesy consultations by this government involved in these appointments?

Hon. Mr. Pearson: Yes, the chairman of the board does consult with us prior to these appointments being made.

Mr. Penikett: Perhaps the government leader could tell us something about the current practices with respect to appointments to the board itself; which has another function, and in that regard, indicate to us if he has reason to contemplate the formation of a separate local board to carry out these functions?

Hon. Mr. Pearson: No, the board is the federal board and we use it pursuant to our legislation, *The Public Service Relations Act*, which we have in place. We would have to change that legislation in order to change the make-up of the board.

Question re: Yukon Hydro

Mr. Byblow: I have a question for the government leader on a historical favourite of ours. Mine at least. Given that it is now two years since we heard anything substantial on the subject, could I ask the government leader, what is the current state of negotiations relating to this government's acquisition of a 50 percent interest in Yukon Hydro?

Hon. Mr. Lang: As indicated in the last session, it is presently on hold because of the economic situation. We are definitely still interested in the prospects of such a venture. If a decision is made, there is no question that it will be debated in this House.

Mr. Byblow: This is the first that I have heard that it is on hold. The last information from the minister was that it was in a

state of negotiations. Could I then ask the minister: have any of the agreements, management or otherwise, been completed?

Hon. Mr. Lang: There has been a lot of work completed on the various necessary legal papers that have to be signed between the two proponents. They are to the point that they could probably be signed with perhaps some minor revisions. At the present time, in view of the general situation in the territory, we have not proceeded any further, at least at this point.

Mr. Byblow: The minister will understand my next question. Is it the intention of this government to wait until the next territorial election to announce anything further on Yukon Hydro?

Hon. Mr. Lang: I hope not. I would like to see something proceed in the next little while if it is feasible. A lot is going to depend on the general economy.

Question re: Homeowners' grants

Mr. Penikett: I have a quick question to the Minister of Municipal and Community Affairs. He seems to be enjoying himself so much today.

The Association of Yukon Communities has stated, by way of resolution, that the Government of Yukon should amend the homeowners' grant to permit individual municipalities to deduct the grant at source and to invoice the Government of Yukon for reimbursement with the view to eliminating unnecessary cost to the taxpayers and providing them with an immediate benefit. Could I ask the government leader, for the record, what his response to this proposal is?

Hon. Mr. Pearson: We have seriously considered the request made by the municipalities. After giving it a lot of consideration, we have decided that we should continue with the program in its present form. To change it now, we feel, would be counterproductive.

Mr. Penikett: That is a surprising answer. Can I ask my supplementary to the Minister of Municipal Affairs? This is further to the subject of the AYC resolutions. That organization has suggested that the Government of Yukon initiate and fund an annual fire department competition between Yukon and Alaska. I would be curious to know whether the minister has had an opportunity to act on this suggestion?

Hon. Mr. Lang: The member opposite obviously does not know the background. It was a proposal that was put forward by me to the association, which the association considered and passed a resolution. All appearances are that if everything falls into place, we should have a competition between Alaska and Yukon this coming summer.

Mr. Penikett: Obviously, I do not have to ask the Minister of Finance about the government's position on that.

Since the AYC has also stated that the Department of Municipal Affairs be requested to review the subject of municipal water and sewer rates to address the individual requirements of Yukon municipalities rather than using, as they do now, Whitehorse as a base for calculations, has the minister, in fact, studied this request and developed a response?

Hon. Mr. Lang: To my knowledge we have not formally corresponded with the Association of Yukon Communities. We have gone on into an agreement with the City of Dawson with respect to their water and sewer, as opposed to the method employed, and picking up the deficit directly after everything is done. We are monitoring that very closely to see how that comes out, as far as the transfer of dollars is concerned. I do believe the principle is sound, and it will be interesting to see what is going to be the final bottom line over the course of the next couple of years. I am definitely not adverse to looking at other ideas. If the member opposite happens to have one, I would be happy to hear it.

Mr. Speaker: We will now proceed to Orders of the Day under government bills.

GOVERNMENT BILLS

Bill Number 6: Second Reading

Mr. Clerk: Second Reading, Bill No. 6, standing in the name of the hon. Mr. Ashley.

Hon. Mr. Ashley: I move that Bill No. 6, *Miscellaneous Statute Law Amendment Act, 1984*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Justice that Bill No. 6 be now read a second time.

Hon. Mr. Ashley: In February 1983, we established a coordinating committee to oversee departmental reviews of all our legislation in light of the requirement of the *Canadian Charter of Rights and Freedoms*. In addition, I have asked the committee to review all our regulations, policies and procedures to insure they comply with the spirit of the Charter. I am sure all hon. members will appreciate the wide ranging scope of this review. The legislative review is now complete.

Ten departments identified a total of 36 statutes, which may be in some potential conflict with the provisions of the Charter. These statutes may either require amendment or the development of policy or procedure directives in order to comply with the Charter requirements.

We could have tried to lay low and not touch our statute book until particular provisions are changed and start down in the courts. I believe that if, after careful study and consultation, we honestly think that some of our statutes do not comply with the Charter than we have an obligation to amend those statutes without waiting for the courts to do the same for us.

The bill for us today does not attempt to address all 36 statutes. Rather its purpose is to remove discrimination on the grounds of race, sex, and age from five acts: *The Cancer Diagnostic Act*, *The Mediation Board Act*, *The School Act*, *Forest Protection Act*, and the *Exemptions Act*.

The two sections of the charter to which the *Miscellaneous Statute Law Amendment Act* is addressed are sections 28 and 15. Section 28, which guarantees rights equally to both sexes, became effective on April 27, 1982 when the Charter came into force. Section 15, however, which contains the equality provisions, does not come into effect until April of next year.

We have, nevertheless, included Section 15 in our review, realizing we still have one year to comply with its requirements. I believe the proposed amendments are self-explanatory; however, I will briefly address each one.

(1) the amendment to the *Cancer Diagnostic Act* proposes a new section to state that the act does not apply to anyone receiving this service from the Government of Canada. Although this has always been the intention, the definition of resident had excluded Indians and Eskimos, as they do, indeed, receive this service from the Government of Canada.

(2) amendments to the *Exemptions Act* and *Mediation Board Act* propose the use of the word "spouse" in place of the words "widow" and "wife".

(3) the amendment proposed to the *Forest Protection Act* will strike out the word "male", so that women, as well as men, may be called upon to assist for the purpose of controlling a fire.

(4) the proposed amendment to the *School Act* will remove the age limit of 70 years as a qualification for membership to the Yukon Teachers Staff Relations Board.

The Charter is like any other new law, in that its enactment has been followed by the usual uncertainty that exists until judicial decisions can be made at the highest level. Moreover, the Charter is a new kind of law, in that it binds the federal, provincial and territorial governments and restricts their powers. My committee has found, in many cases, that the effect of the Charter on our legislation remains uncertain, pending an authoritative interpretation by the courts.

For these reasons, the work of the committee cannot be finished quickly and must continue for some time. Also, where Charter problems are identified by the committee, the government is required in some cases to develop alternative means to legislative amendments of accomplishing its purposes. Nor will all the amendments take the form of an omnibus bill. For example, the committee identified problems with the *Mental Health Act* and with the *Legal Profession Act*. As you know, amendments to these acts are being tabled in this session and the Charter amendments have been incorporated in them.

So, now that we have identified potential conflicts, they may

readily be included in amendments to the various statutes as departments prepare future legislative changes.

The committee continues to review regulations and policies. It is my intention, then, in future sessions of this House to report as further problems are identified and appropriate solutions are found.

Mrs. Joe: The member opposite will be happy to know that we have no objection to this bill, as it comes before the House. Anytime that you introduce legislation or introduce anything in this House that does remove discrimination in any way, we will certainly not oppose that.

I can only hope that, somewhere down the road, the equality clause is looked at very seriously with regard to women in the labour force. I look forward to hearing from the minister about other areas they are working on.

Motion agreed to

Bill No. 7: Second reading

Mr. Clerk: Second reading, Bill No. 7, standing in the name of the hon. Mr. Tracey.

Hon. Mr. Tracey: I move that Bill No. 7, *Public Utilities Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Renewable Resources that Bill No. 7 be now read a second time.

Hon. Mr. Tracey: The *Public Utilities Act* is a new act to replace the *Yukon Electrical Public Utilities Act*. The revisions were initiated by the territorial government to both expand the role of the board and to include a procedure whereby policy directives may be issued to the Electrical Utilities Board.

The act is divided into four major parts beginning with the more comprehensive definition section. Terms such as "public utility", "rates" and "service" are defined in order to avoid serious interpretive problems of the past. The term "gas" is included to indicate the government's intention to broaden the board's mandate so that the eventual regulation of gas in the territory will be possible.

Part one outlines the normal operations of the board. The number of board members has become more flexible, with a minimum of three and a maximum of five allowed to sit on the board during staggered terms. Due to the evolution of the board, provisions have been made for secretarial support in this part and professional and government technical assistance will continue to be made available on request.

The board, similar to other jurisdictions, will also be expected to establish rules of practice to facilitate the normal operational procedures.

The new act, through section 18, provides a mechanism whereby direction, through regulation, can be given to the board who, in turn, is able to respond to that direction. It is not a provision that takes total independence away from the regulatory authority as it allows for the active participation and input from board members with each policy decision. In addition, it provides the board with an opportunity to seek or clarify the governmental policy on important issues, which both the regulatory agency and the government face.

In this way, there is a more positive give and take relationship between the board and the government that will lead to the best decisions possible. This section is similar to legislation in four or five other jurisdictions and closely resembles the procedure for handing down policy directives in the Northwest Territories.

Part two, the regulation of public utilities provides guidelines, which the public utilities must follow. While franchises are deemed to have been given to the existing utilities, any new utility must apply to the Commissioner in Executive Council, not the municipality, for a franchise.

As in the previous act, approval for a franchise must be given by the Electrical Public Utilities Board. The utilities will continue to be subject to the board's direction, vis-a-vis rate base: accounting methods, rate of return and rates of charge, et cetera. However, a provision has been included in the act to allow the government to direct the utility through the board in certain matters such as an extension of existing services provided that any expense incurred for this benefit, to certain customers, will be covered by the government.

Energy development in Yukon will be more closely monitored with the passage of this act, which includes an entirely new part on the energy projects modelled after BC legislation. In this part, energy project and operation certificates will be issued by the executive council member upon the review and recommendation of the Electrical Public Utilities Board for projects involving any types of energy development in the territory, such as plant, smelter, refinery, utility or pipeline. Such a section allows for the orderly development and greater control of energy resources in the territory.

The last part of the act, which deals with administration and enforcement, remains basically unchanged from the previous act. One major section that has been added, however, as a general restraint measure, is section 51, which requires the board to seek approval from the executive council member for the expenditure of public funds.

This would ensure that only normal operating functions would be covered by the budget allotted to the board and that any extraordinary expenses would be subject to prior approval of the government.

Thank you.

Mr. Byblow: In response to the minister's statement, I want to say that, on the surface, we have some concerns about the bill. However, these are not going to prevent us from a cautious support at this stage in order that, at Committee stage, we can review in much more detail some of the issues that give us concern.

The concerns, in fact, surround some of the principles that the minister addressed moments ago. I think, much like the transport bill we addressed yesterday, the major concern surrounds the extent of ministerial authority and, in fact, the independence of the board. I know that the minister says that the bill is intended to allow the government to give policy direction to the board, but, I think, by way of an example, we have the opportunity for some measure of conflict arising.

I suppose, in particular, there is a potential relationship developing between this government and at least one of the utility companies. I raised it, in part, in Question Period earlier: the intention of this government to acquire a 50 percent interest in Yukon Hydro. As I perceive it, there is an apparent conflict in directing the utility board, by government policy, to ensure a fair rate of return while, at the same time, protecting the public interest.

In previous debates with the government, I indicated that at least in one particular year, there was over 100 percent rate of return on equity by the utility company. So, I would have some concern as to the interpretation of this bill in terms of policy direction on the principle of fair return. Quite clearly, where government is a participant in the utility, the principle of board independence in rate setting is of particular importance when it is being set by government policy.

I believe the minister is quite correct when he says that, under this bill, the direction can be given to the board. I suppose the question we will want to examine in some detail in Committee, is the extent of that direction. I am assuming that the direction will be by regulation and I believe the minister confirmed this. Therefore, those regulations will be open to public scrutiny.

At the same time, I am assuming that government is assuming the full responsibility for the board and its actions and, therefore, in that respect will be accountable, again in this House, for the actions of the board.

It takes no imagination to recognize that, in the absence of the intended policy by this government, where it is going to affect the regulation of something like rates, it makes it very difficult to make a judgment on the bill itself, as to whether it is a good bill or not.

Quite clearly, the bill leaves a lot to regulations regarding the operations of utility companies, as well as regarding the parameters of rate setting. I suppose one could allege that this bill simply sets out the procedure under which this is going to be reviewed, so the most logical question that would follow then is: why have the board at all? The minister says that the rates are clearly going to be set by the board and I would be curious under what parameters this government is going to set for those rates to be established.

Adding to that, there are various clauses in the bill that make it

quite clear that the government may or may not accept the initiatives, the directions or the recommendations of the board. So, again, the obvious question: what is the true purpose of the board? No doubt, the minister will respond to those general concerns and I can appreciate that in committee stage we will get into much more detail respecting them.

By way of notice, I suppose it would be in order to mention several other principles enshrined in the bill that we will want to discuss. Certainly, the discretionary right of the board or the minister to hear a complaint is a subject we will want to pursue. The subject of the appeal process is another one that I have some questions about. Certainly, the nature of appointments and, naturally, the question of patronage arises. The varied subject matter that the minister mentioned of the provision allowed in this bill for government to assume capital costs relating to extension is another principle that I would want to pursue. There are a number of other principles that lend themselves to committee discussion.

As in the transport bill, we extend a cautious support, at this stage, in order that we can deliberate it at more length in committee.

Motion agreed to

Bill No. 20: Second Reading

Mr. Clerk: Second reading, Bill No. 2, standing in the name of the hon. Mr. Tracey.

Hon. Mr. Tracey: I move that Bill No. 20, *An Act to Amend the Dental Profession Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Renewable Resources that Bill No. 20 be now read a second time.

Hon. Mr. Tracey: These amendments to the *Dental Profession Act* are being introduced to tighten up our registration requirements and to provide for professional corporations.

The act, as it now stands, makes it possible for a dentist to come to the Yukon and obtain a licence to practice dentistry even though he may not have practiced for the past 10 or 15 years, or may no longer be in good standing in the last jurisdiction where he held a licence. Fortunately, this scenario has not happened in Yukon. These amendments will ensure that that will not happen. The changes will give us the discretion not to issue a licence to a dentist who has not practiced within two years of the date of his graduation from a Canadian School of Dentistry, or from his date of qualification for a national certificate. Provision to refuse a licence to a dentist, who is no longer in good standing in another jurisdiction, has also been included.

These amendments will also allow dentists to practice dentistry to professional corporations. The professional corporation provisions are similar to the sections contained in the *Medical Profession Act* and new *Legal Profession Act*. As in those acts, corporate status does not provide an escape from personal liability for professional negligence. The changes to the act have been discussed with, and are acceptable to, the dental profession.

In anticipation of questions being raised concerning denturist legislation, we have tentatively scheduled the introduction of a denturist act for, perhaps, the 1984 Fall sitting of the legislature, if it is possible. My officials had preliminary discussions with the dental profession and the local denturist regarding this matter. A review of provincial legislation has been undertaken and, prior to drafting an act, the department will consult with and consider the recommendations and concerns expressed by the parties involved.

Thank you.

Mrs. Joe: My colleague from Mayo has just informed me that he is going to spare the member across the House a union speech. We can see no problems at this point in time. We will be asking questions throughout the act in Committee of the Whole. I am glad to hear from the minister that they will be considering an act for denturists. I realize that there has been a denturist in town who has been going around talking to legislators and I am happy to see that he has been listened to.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Lang: I would move that Mr. Speaker do now leave

the Chair and the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the hon. Minister of Municipal and Community Affairs that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: Committee will come to order.

We will take a 15 minute break and, when we return, we will go on to Bill No. 16, *An Act to Amend the Real Estate Agents' Licencing Act*.

Recess

Mr. Chairman: Committee will come to order.

Bill No. 16: An Act to Amend the Real Estate Agents' Licencing Act

On Clause 1

Hon. Mr. Tracey: I do not think there is very much more to be said than what I said in my second reading speech, yesterday. It is mainly to allow the operation of property managers without them having to go through the process of being licenced under real estate legislation, getting a real estate license, which is absolutely no use to them. The other part of it is to keep them under the act so that we do have some protection for people who use their services.

On Clause 2

Mr. Byblow: Could the minister spend some time explaining the full significance of this particular definition, because I think that surrounds the whole point of the bill.

Hon. Mr. Tracey: Yes, the gratuitous property manager is the person who is your neighbour, or mine, or your friend, or brother-in-law, or whoever, who is managing your property for you without compensation. We do not want him to be covered by the act because there is no money changing hands. We wanted to exclude them from the act to allow this to happen, to allow your neighbour to rent your house out if you are away for a while, or whatever. That is basically what it is.

Mr. Byblow: Is it a point in law now that a person who is acting on behalf of a landlord can make obligations on behalf of the landlord?

Hon. Mr. Tracey: Under the law now, this gratuitous property manager actually has to be a real estate agent.

Mr. Byblow: Perhaps the minister has an explanation of the reason for entering this definition of "time sharing agreement"?

Hon. Mr. Tracey: I am just consulting my notes. The time sharing agreement is an agreement where a group of people agree to own or share a certain facility for a certain period of time each year. This also has the same meaning as the property users' license, which is now in the old act. I do not have a copy of the old act with me, but I believe the meaning of property users' license is in the old act and what we are saying now is that the time sharing agreement comes under the same meaning. It has the same meaning as the property user, which allows them to be covered under the act.

Clause 2 agree to

On Clause 3

Mr. Byblow: Again, I would only be curious, for the record, why this additional paragraph is added. What implications are created, and why was it necessary to introduce this?

Hon. Mr. Tracey: The gratuitous property manager may be looking after an apartment block, or he may be looking after a small group of condominiums. Maybe one of them is for sale. He acts as the agent of the owner. Without any compensation, he just sells the property, or whatever, for the person. So we will allow him to do that under the act without being a real estate agent.

Mr. Byblow: In this instance, can the gratuitous property manager collect and receive a fee for conducting the transaction? Does he become like a real estate agent, in the process?

Hon. Mr. Tracey: No, that is the meaning of the word "gratuitous"; it means he is doing it for nothing.

Mr. Byblow: I would be curious as to whether or not the government was approached to have these changes put in and, if so, by whom?

Hon. Mr. Tracey: Yes, there is the odd time when there are people who are renting a house or, once in a while, someone has moved away, for example and he has his house up for sale and he has his next door neighbour look after the transaction for him. This happens fairly often in a small community such as Yukon and there have been various times when it has been brought forward to my department and we are trying to address it. Although it happens now, it is actually against the law and this makes it legal for them to do this for their neighbours or their friends.

Mr. Byblow: Is a consequence of these amendments the permitting of sales and transactions to take place without a fee to a real estate agent?

Hon. Mr. Tracey: Yes, if there is any fee charged at all, then they are breaking the law and would have to be a real estate agent. This is gratuitous. It means they are doing it for nothing; they are doing it as a favour to a friend.

Clause 3 agreed to

On Clause 4

Hon. Mr. Tracey: This is just to make very clear what all of the rest of these words stand for; it is "real estate".

Clause 4 agreed to

Clause 1 agreed to

Hon. Mr. Tracey: I move that you report Bill No. 16 out of committee without amendment.

Mr. Speaker: Before we do that we have to clear the title.

On Title

Title agreed to

Hon. Mr. Tracey: I move that you report Bill No. 16 out of committee without amendment.

Motion agreed to

Mr. Speaker: Bill No. 16 is cleared out of the Committee of the Whole without amendment.

Bill No. 17: An Act to Amend the Securities Act

On Clause 1

Hon. Mr. Tracey: I gave a fairly detailed account in the second reading speech, but I would like to carry on a little bit. This act makes it very plain that a mineral claim or lease is a security, and the change is necessary, in spite of an apparent intention under the present act to include mineral claims within a definition of security. Although a decision of the Court of Appeal of BC favourably interpreted legislation similar to our present act, it is our opinion that due to judicial evolution in the area of security, a mineral claim, per se, may not be included in our definition.

We do not attempt to regulate the sale of mineral claims by the owners thereof, however, since the rapid rise in the price of gold that occurred in 1980, and the resulting flurry of trading took place in the mineral claims in Yukon, we have attempted to regulate the actions of mineral claim agents under the *Securities Act*.

There are changes being made concurrently to the regulations that apply directly to mineral claim brokers. The present regulatory regime is not working properly and licensing requirements are not achieving any real purpose. Some measure of control over those who act as agents for the owners of mineral claims was felt desirable. If the activities of mineral claim agents were totally deregulated, there is a possibility that undesirables and fly-by-nighters would enter the business to the detriment of the mining industry as a whole.

The regulations will set out the requirements, which will apply to those who wish to become licensed mineral claim agents. Briefly, they will be as follows: (a) a six month residency requirement; (b) a permanent Yukon resident; (c) good character; (d) they must not accept trust money in the course of any securities transactions; and (e) they must not draft any binding agreements between parties to a securities transaction.

The restrictions enumerated above will have the effect of keeping fly-by-nighters out of the mineral claims sales business, bringing the vendor and purchaser together so that deposit money is not handled directly by the agent — this means that agents will not have

to be bonded — and ensuring both the vendors and purchasers in a mineral claim transaction are represented by professionals prior to any binding contracts being signed. This is necessary as the contractual agreements that develop in the majority of cases are unique and complex.

The placer mining industry and the hard rock mining industry have been consulted. I have had them in my office on fairly numerous occasions at one time. They are in total agreement with what we are proceeding to do here, and I think it is going to be beneficial for everyone in the territory to have the mineral claims put under the *Securities Act* instead of under the *Real Estate Act*, therefore allowing people who are knowledgeable in the mineral claim industry dealing with it, rather than real estate agents. Real estate agents could become involved, if they wanted to do so, and wanted to develop the expertise.

22 **Mr. McDonald:** As we stated in the House once before, this bill is something that we certainly could support. I was in attendance at a Chamber of Mines meeting some weeks ago when this proposed change was made public and it enjoyed the scrutiny of the general membership, at that time.

The idea that the private sales of claims remains legitimate and unregulated is something that I think is very important for the individuals in the mining industry. They did see the value, of course, of providing some sort of regulation for mineral claim brokers or agents who, they felt, might become fly-by-nighters with no real interest in the promotion of the industry itself.

There were some questions that they posed at that meeting, including a question regarding the definition of what constituted good character for proposed mineral claim brokers or agents and the reasons why trust money was not permitted in transactions. So, perhaps, if the minister could answer those two questions, we will be satisfied.

Hon. Mr. Tracey: I think, as far as being a good character, that is a fairly well known or fairly well used term. Certainly, if someone had been in jail two or three times for fraud, or whatnot, he certainly would not be considered to be of good enough character to hold a license to be a mineral claims broker. Those kinds of terms are covered under other acts in the government.

As far as the bonding goes, the reason for not having bonding is because it would be very hard, or almost impossible, for them to be bonded as only mineral claim agents. Under the *Securities Act* now, they can be bonded, but they have to be securities brokers. They would have to be much more knowledgeable and they would have to receive bonding from a bonding company. If we were to require bonding under this act, they would have to become *Securities Act* brokers.

That was the reason we considered putting them under the *Real Estate Act*, so that they could be bonded as real estate agents. However, the problems that were relayed to us and to the industry by requiring them to be real estate agents was almost as bad or worse than allowing them to be mineral claims agents, under the *Securities Act*.

The reason for not bonding is because they are usually a very complex and unique type of transactions that have involvements where they are receiving a share of the profits or there are various other things involved. It was felt that they would have to deal through a lawyer — in fact, we should require them to deal through a lawyer — so that both sides know exactly where they stand. We know that they will then have the advice of a professional person, in that regard, and lawyers already have a trust fund and all of the rest of it set up, and there is no requirement for them to be bonded.

23 The potential people who we saw as mineral claim agents and who were in to see us were happy with the way it is set out here.

Mr. McDonald: Who makes the determination that someone is of good character?

Hon. Mr. Tracey: That would have to be done by the government. The person who heads up this department is a lawyer.

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Title

Title agreed to

Hon. Mr. Tracey: I move that you report Bill No. 17 out of Committee without amendment.

Mr. Chairman: An Act to Amend the *Securities Act*, Bill No. 17, is reported out of Committee without amendment.

Bill No. 18: An Act to Amend the Transport Public Utilities Act On Clause 1

Hon. Mr. Tracey: As the explanatory notes says, the main purpose of these amendments are to remove the responsibility for enforcement out from under the board; to let the board deal with the licencing, as is their function, to allocate licences. The department would do the enforcement. It also allows for temporary licences to be issued by the board. For example, let us use last year when there was a great demand for gravel trucks on the Carcross Road. There were not any gravel trucks in the territory so gravel trucks had to be brought in. It would allow the board to give temporary licences to these persons to operate for a short period of time and then leave the territory again.

It would also cover cases, such as some time in the future you might need a special piece of equipment such as a 200 tonne crane or, something that we absolutely have no use for in the territory here other than for a specific purpose. It would allow them to give authority for this vehicle to operate in the territory on a temporary basis. That is basically what it is doing. It is also allowing us, by regulation, to give policy direction to the board.

Mr. Byblow: I would like to explore several things in general debate, and probably take them one at a time. The first one that I want to explore relates to the whole business of policy direction.

In the second reading debate yesterday, I raised some concern that I had about the ministerial authority and the extent to which that authority could be used to overrule the board, or in fact to set the policy guidelines.

On the subject of policy guidelines, if the minister is saying that this government is going to be setting those policy guidelines, I would be curious about what principles or policy this government wanted to put in place. I recognize that they are going to be set in regulation. My interpretation of one of the clauses later on is that it can go beyond regulation, in terms of direct instruction. I might stand to be corrected on that.

24 My question, fundamentally is, what policy does this government intend to put into place with respect to the control of public transport?

The minister made some references, I believe, yesterday and again today, that it is the intention of government to ensure that public transport authority was granted in cases of where there is a shortage of that form of transportation. I could accept that as a policy directive and that would affect or implicate the issuance of temporary licensing authorities.

To pursue the question of policy, what is the intention of government in terms of policy that it wants the Motor Transport Board to work under?

Hon. Mr. Tracey: I think, if the member reads section 6, it gives a pretty detailed statement respecting the criteria that the board must give affect to. I will give you a good example. Perhaps we want to turn the whole operation of motor transport around. Right now it is need; a person who applies for a license has to prove that there is a need for the service before he can get a license. Perhaps we want to instruct the board that we do not want to consider need anymore; what we want to consider is fitness. If a person is fit and he has the financial capability to operate a truck or trucking company, then that is the criteria that should be used to give him a license, rather than need.

That is the kind of policy direction you could give the board, by regulation. That is open to the public. Nothing is being hidden. There is no section in here that gives the minister, or the government, any authority to give the board an order other than by regulation.

Mr. Byblow: Let us take this as an example: a trucking firm may currently hold an operating authority to transport goods between Whitehorse and Dawson City. Someone else makes application for an operating authority on that same route for similar type of goods. What policy will this government expect to have in

place for the board to work under when it reviews the second application?

Hon. Mr. Tracey: Unless there is a new policy, such as I mentioned — fitness — he would get a license anyway. The board would treat it exactly as they do now. They would look at the license; they would decide whether the person should have a license or not, and they would either accept it or reject it.

Do not get the idea that because we can give policy directives to the board that we are going to tell that board, "Look, that guy can have a license and that guy cannot". Otherwise, there is no sense having a board. All we want is the capability to give general policy guidelines so that the board knows the government's policy and what they are going to function under.

Mr. Byblow: To complete my example, then, the minister is telling me that there will be a set of criteria that the board will consider when reviewing the second application. Implications of this bill, as I see it, are run something like this: the application could be made for this run from Whitehorse to Dawson City by a second trucking firm and the board can issue a second operating authority. The trucking firm that is operating that route in the first instance may not, in fact, be even aware of the application for the second authority. Carrying on in the appeal process, if the appeal is not made within 14 days, then the right to appeal is waived.

I guess I am setting up that scenario to ensure that what we are not putting into place is a potential for the abuse of protection for a basic service in the territory, which is a fairly critical thing in terms of transportation of goods to small communities.

Hon. Mr. Tracey: No, I would not want the member to get the wrong idea of what we are trying to do here. You seem to be getting the idea that there is one license there already and, suddenly, we are going to pass a regulation saying that you have to consider this other license. That is not the criteria; I used that as an example. The criteria is that, perhaps, we switch from need to fitness.

Now, perhaps there is some other criteria that we want to consider. For example, there is going to be a major mine development in some area and we want to build an infrastructure there. So, the criteria we want the board to consider is to have enough trucking companies running into that area, for example, to cover everything that is done, or whatever.

The criteria could be almost any criteria, but that does not deal with an individual license. It is not a regulation saying that just because "x" is there, we also want "y" to be in there. That is not the criteria. The criteria may well be that we want to assure that there is more than one trucking company running into any specific area in the territory. It is a broad criteria and does not deal with individual cases.

Mr. Byblow: The minister will recognize the tremendous power available to government, in terms of permitting operating authorities in the transport of goods between communities. What I am seeking from the minister is an assurance that, in terms of the policy, they are not going to be setting the kind of parameters that could, in effect, wipe out trucking firms to the benefit of other applicants who may very well demonstrate the necessary criteria. The consequence may be where two operating firms serve a community, the business does not permit the two of them to survive and somebody has to go down, and maybe even both.

Hon. Mr. Tracey: I would hope that the members do not overlook the fact that the government has all the power right now. We could repeal this act and we could issue every licence individually from the department. It is not our intention to take any function away from the board as far as issuing licences. If that was the case, we would just repeal the act altogether and we would do it ourselves. All we want to do is to be able our government's general policy guidelines to the board for them to consider so that when they are issuing licences they know what the government's philosophy is. It is exactly the same as if the opposition were in power, you may have a different philosophy than the government previous to you. You might want to tell the board, by regulation, that this is what your policy is. They have to operate under that policy. Under the existing act, the board does not operate under anyone's policy except their own.

Mr. Byblow: I guess, trying to pin down that policy, the government could, by regulation, advise the board that it shall consider applications on the basis of residency; on the basis of financial ability; on the basis of other similar kinds of factors. That is what the minister is referring to when he talks about government policy. I would assume that under the current legislation those kinds of criteria are not spelled out; it is at the discretion of the board.

If that is then confirmed as the intent, by policy, of this government, I could leave it for a moment and raise the question that surfaced in this legislature two or three years ago, relating to operating authorities from other jurisdictions. We had the problem of outside truckers dominating a lot of the economic activity here in the territory. What opportunity is there for any measure of control on this, and what is the intention of government?

Hon. Mr. Tracey: There is nothing in here to control those outside truckers: absolutely nothing. Under the existing policies that the board functions under, they look at need. If it can be shown that there is a need, regardless of whether it is an outside trucker, or an inside trucker, and a company can fill the need, the licence will be given to it. They consider everything such as residence — whether they operate in the territory, whether they have a home base in the territory — when they give out those licences.

Nothing has changed. There is nothing in this act that changes any of that. For example, let us go back to fitness versus need. If it was fitness, then perhaps there would be a change. Perhaps the outside companies would be allowed to come in here. Perhaps, what would happen is that on territorial companies there would be no restrictions. If they got a licence they could have 100 trucks if they want. In fact, that is the way the board is moving right now. If you can show that you can run a trucking company, why restrict your licences? There has to be some competition. The best will survive. That is the board's function. That is what they are there for: to consider all these things and make the decision. It is not the government that wants to do it, otherwise we would get rid of the board.

Mr. Byblow: Extending the issue of government policy through regulation giving the board some parameters for considering applications, I want to raise the question relating to the conveyance of special goods, or goods that require special equipment. There is a clause in the bill that addresses this. Will that necessarily result in increased cost?

I suppose the best way to describe what I am getting at is to use a specific example. For example, in Cyprus Mine, there is a use of a special chemical required by the operation for blasting and for treatment of the ore. Now, that is required to come in special containers from another jurisdiction, and it would be almost insane to expect the territorial trucking industry to have the kind of equipment to do a change-over.

Is it the intention of government to inflict on these trucking operations from other jurisdictions any increased cost for having to come through the territory at any time?

Hon. Mr. Tracey: There is certainly nothing in here that says that they are going to be inflicted with any extra costs. In fact, what we are trying to do is make it easier. Section 6 deals with temporary certificates. It gives the board the ability to give temporary certificates to someone to bring in this specialized equipment and operate.

I talked about the mobile crane, for example. Maybe that is not a good example. Maybe we should look at a special trailer to haul a special piece of equipment. There is not one here in the territory. Or maybe it is a special truck. We have relaxed the route that the board has to go through now. Under the existing circumstances, this person would have to apply for a license. We are now allowing the board to give them a temporary certificate right now, without having to apply for a license. It is only a temporary license; he is allowed to operate here for a specified period of time and he then leaves the territory again. We are trying to relax it, not tighten it up.

Mr. Byblow: Again, extending from what the minister says about the intention of the bill to relax the opportunity for authorities to be granted, there are clauses in this bill that deal with complaints about the issuance of operating authorities. It seems to me that there

is a discretionary right by the board to determine whether a complaint is valid or not and to conduct a hearing or permit an appeal process.

To me, there is a policy shift here, and I wonder if the minister would address it for a moment. What I gather is that it is possible for someone to have what, in their judgment, would be a legitimate complaint about the issuance of an authority, but the board could disregard it with no opportunity for appeal. Surely that is not the intention of the legislation?

Hon. Mr. Tracey: No, I think the member has it wrong. If anyone appears before the board to object to anyone getting a license, the board will hear it. The only thing that we are trying to do here is to restrict it. If the person who wants to object wants to wait until almost the last day to object, there is no way the board can deal with it; the board will then have to issue the certificate and hear the objection afterwards.

There is nothing in here to stop anyone from objecting to a license. Everyone still has to present his application for a license, so everyone is aware that the license had been applied for. So, there is absolutely nothing in here that allows the board to not listen to an objection or an appeal, and there is always an appeal to the court.

Mr. Byblow: I will accept that and leave it until the actual clause for further inquiry about what I interpret to be some limitations on this.

As I recall, in the estimates relating to transport utility and electrical utility boards, there was always a line item for a very minimum amount and that was always in consideration of the need for some form of inquiry. Now, we have shifted that policy to one that falls on the responsibility of the minister to decide whether any inquiry is going to be held. Why this particular shift? Why can the board not deem something worthy of inquiry?

Hon. Mr. Tracey: The board can inquire now. They can inquire *ad infinitum* now, without any control by the government. There is absolutely nothing, under the existing legislation, right now, to stop the board from spending hundreds of thousands of dollars, if it wants.

All we are saying is that if the board wants to inquire into any matter, from now on they will have to come to the government. They have to get the money before they can spend it.

It also, under Section 9, says "The board shall inquire into and make any recommendations on any matter respecting transportation that the Executive Council member refers to the board". So, on any transportation system, if the government wanted to find out anything about any particular area of transportation, it could tell the board to conduct an inquiry into it, but it cannot participate in an inquiry without approval from the government to spend the money.

Mr. Byblow: I guess what it amounts to is financial control. It simply gives this government the decision as to whether or not money will be spent for that purpose.

Mr. Byblow: Perhaps you will permit some latitude on this. I would like to enquire into the extent of the board involvement with respect to the transportation issue facing us in the territory today. We have a federal inquiry going on with respect to the railroad and, at the same time, we have some consideration of a road option for the transportation of goods to tide water through Alaska.

I understand that currently there is some agreement that this government will not permit any operating authority on the Skagway Road, which, given the condition and standards of the road, would normally permit a higher usage of it. It has to do with some arrangement relating to the railroad. What I am seeking here is whether or not we now have new authority for decision-making.

Hon. Mr. Tracey: Number one, the Transport Public Utilities Board is dealing with licensing. It is not dealing with whether we are going to have a road or whether we are going to have a railroad. That is a policy decision of the government. The Transport Public Utilities Board deals with licensing and the giving of licenses for trucking operations.

If we wanted to have an inquiry conducted such as the CTC is doing now, under this act, we could do it. The government has asked the Canadian Transport Commission to do an inquiry for us, which is much cheaper for us. Also, it draws on a lot of expertise to make recommendations to us. It has nothing to do with what the

Transport Public Utilities Board is doing. It is helping us to develop policy as to whether we want a road or whether we want a railroad.

Mr. Byblow: I was not trying to confuse the two; I was trying to relate the two.

To articulate my question differently, right now, operating authority is granted, for example, to buses to run the route to Skagway, yet the transportation of goods is, and was, limited, and was limited in particular when the railroad ran. There had to be some control exercised by the Transport Utilities Board of the day.

Hon. Mr. Tracey: No, the member is absolutely wrong. The Transport Board had absolutely nothing to do with it. It is restricted by either us closing the road to trucking or by putting weight limits on the road or by Alaska restricting the road to trucking. It has nothing to do with licensing. Licensing is into and out of the territory. The Transport Board has nothing to do with it. Any controls that would be on the road are separate and apart from what the Transport Public Utilities Board is dealing with.

Mr. Byblow: So all this time, in the past 15 or 20 years that the road was available, I could have applied for an operating authority to run goods from here to Skagway via the Skagway Road. Is that correct, given that I have met the requirements of road restrictions pertaining to weights and so on?

Hon. Mr. Tracey: Absolutely.

Mr. Byblow: The government leader says I could have used a pickup truck and I suspect that is because the restrictions were so low I could not have driven anything bigger, but yet, the buses run.

I am still a little confused as to the issuance of some kind of authority, in a limited fashion, on certain roads. Why do the buses run and not the transportation of other goods?

Hon. Mr. Tracey: Because the Alaska government and the City of Skagway do not want trucks in their area: they restrict the weight. We also restrict the weight because we are trying to keep the railroad alive. If the decision is made that the railroad is closed and is going to be closed forever between ourselves and Alaska, perhaps we will upgrade the road and we will allow any kind of trucking to go over the road. It is restricted now. If any trucker comes and he can show that he can haul between here and Skagway and everyone is in agreement, he can go before the board and apply for a license and the board would not have any problem with it, they would give it to him. That is not what the problem is.

The problem is that the weight restrictions are so low that no trucker is going to make money if he hauls over there, so why would he apply for a license.

Hon. Mr. Pearson: I just want to advise the member for Faro, because he might not be aware of it, that there are commodities that are hauled over the road in the summertime, now. I can think of a number: propane, firewood, gravel, black dirt, top soil, and those kinds of things; both ways.

Mr. Byblow: I would assume, from what the government leader has said, that the haulage of those goods is permitted, not on the basis of licensing, but on the basis of what the road will permit in terms of road restrictions pertaining to weight. If that is the case, I suppose that allays my inquiry.

However, it is my understanding that there is some form of agreement between the mining company, Cyprus Anvil, and White Pass, whereby they will not use any other form of transport than White Pass. That also has nothing to do with licensing authority, correct?

Mr. Chairman: Order, please. If you want to answer this one, Mr. Tracey, I will let you, but I would prefer we get back to the bill.

Hon. Mr. Tracey: Okay, I will answer this one and, perhaps, the member opposite will get back on the bill.

No, there is a contract between Cyprus Anvil and White Pass to deal with trucking. The Transport Public Utilities Board has absolutely nothing to do with whether they go with White Pass or whether they use Trimac or whether they use anyone else; except that whoever trucks through the territory would have to have an operating authority, unless it was Cyprus Anvil hauling its own material. The rest of it, the contract and everything else, the Transport Board has nothing to do with.

Mr. Byblow: I detect an undertone of redress in your voice. I thought we were on the bill all this time.

Mr. Chairman: You could have fooled me, sir.

Mr. Byblow: There is just one aspect that I want to clear up and maybe some of my colleagues have questions. The minister made a lot of reference today, and in second reading yesterday, about the arm's length way that government is in the hearing of individual cases. I just briefly want to explore that.

Is it clear that the intention of this bill will not permit government to in any way influence the actual decision-making of a board in the issuance of a licence?

Hon. Mr. Tracey: I think, if the member reads the amendments we are making here, there is not anything there that says that we can interfere at any time in an individual licence; it says we can set the criteria that the board must consider. It does not say it gives us the power to do anything else. If we did want to do anything else we might as well repeal the act because the board would quit anyway. That is what its function is.

Clause 1 agreed to

On Clause 2

Hon. Mr. Tracey: As I said in the second reading speech yesterday, this changes the name of the *Transport Public Utilities Act* to *The Motor Transport Act*. It clarifies the whole situation. It is not a public utility, it is nothing but the transportation industry, so that is what it will be called, *The Motor Transport Act*.

Mr. Byblow: I suppose only for the sake of future forms of transportation, that is why "motor" was used, but it is irrelevant. The minister did say that it was not a public utility, yet we are only dealing with public transport of goods, not private.

Hon. Mr. Tracey: Yes, but it is not a utility. It is just trucking companies. It is not a utility. A utility is something such as telephone or electric power, or something along that line.

Clause 2 agreed to

Hon. Mr. Tracey: The member across the floor wanted to ask a question on 4(1), so I might as well answer it before he asks it. The reason for this is, as I have said, we have taken the enforcement out of the board and left it in the department. The board is not responsible for enforcement. The board's function is to issue licences. The enforcement of the act is under the department.

Mr. Byblow: I am sorry I did not bring this up in general debate, as it was an area I wanted to question. What is the intention, with respect to enforcement? Is that not going to be under consumer and corporate affairs, with the appointment of personnel to run around the territory checking on the proper application of authorities? How does the minister's government intend to deal with the enforcement aspect?

Hon. Mr. Tracey: The enforcement is done in the Department of Highways and Transportation. We now have the weigh scale function in the department; we have a department that deals specifically with the motor transport industry and a mobile enforcement officer, who is now on staff, is in that department. All of the enforcement of the *Motor Vehicle Act* and all the highways and motor transport acts, are all done in the Department of Highways and Transportation.

Mr. Byblow: Are there currently personnel identified for enforcement of highway regulations and is this person going to now assume the enforcement aspect under this bill? I guess what I am seeking is something specific about the physical nature of the enforcement.

Hon. Mr. Tracey: Yes, in fact, there was a person designated under the *Transport Public Utilities Act* that we are amending here now; the mobile enforcement officer. That was his function.

Also, all of the weigh scale people are also enforcement officers and, perhaps in the future, there may be a requirement for more, but those are the enforcement people who we have now. We also will be working with the RCMP. Any enforcement to do with highways or the *Motor Vehicle Act* or whatever, will all be done in the one department. It is totally in the one department now.

Clause 4 agreed to

On Clause 5

Mr. Byblow: This would logically follow from our previous discussion. The need to appoint inspectors must be a requirement expected in the future because, as the minister described, he does not need them now; he has them.

Hon. Mr. Tracey: Yes, that allows us to appoint future enforcement officers, as well as what we have now. All it does is make it clear that the Executive Council member can appoint the officer and issue him with a card or whatever to show that he is appointed.

Clause 5 agreed to

On Clause 6

Mr. Byblow: I guess this is the one clause that begins the process of policy setting. It relates to a clause, further on, dealing with regulation. I guess the clarification I want is simply that the directives given by the minister to the board shall only be in the form of regulation.

Hon. Mr. Tracey: Under the act, that is the only way that directives can be given to the board. There is no other way that a directive can be given to the board. If I was to write the board a letter and say, "You do this, or you do that", now or in the future, they would right a letter back and say, "Stuff it, ya know".

Mr. McDonald: I have one brief question. Could the minister anticipate a situation where the criteria presented by the Commissioner in Executive Council could be so limited that it could give preference to one company over another, if the criteria was extremely limited?

Hon. Mr. Tracey: I suppose that would be possible. If it did happen, I am sure the first thing to happen would be a big debate in this House about what the government was doing and it would be public knowledge that the government was doing it. That is the reason why we have made it by regulation rather than just a directive from the minister or from the Cabinet.

Mr. Byblow: If I am interpreting section 5 correctly, because of the reference to section 52, which deals, in turn, with those areas under which regulations can be made, that then is the rationale behind what the minister is saying; that it can only be done by regulation and no other directive?

Hon. Mr. Tracey: That is right. Section 52 is the regulation-making section. The reason why we say section 52 here is because it is a regulation and that is the regulation-making section that allows us to do this.

Mr. Byblow: I think section 6, combined with section 9 — if you would permit reference to the two — gave rise to my concern about limitation being placed on the ability of an applicant to have a right of appeal, or to have his complaint heard. I am not sure if I raised this in previous debate, but we could have a situation where an authority is granted and no public knowledge is made of that for 14 days, after which the right to appeal is waived under section 9. I would be curious what the minister's intention is there.

Hon. Mr. Tracey: I suggest that if the member across the floor knows anything about the truckers in this territory, about 30 seconds after the board has issued a temporary certificate, every trucker in the territory knows exactly what has been issued. If it was the size of BC or something, and someone had a head office in some other place, I could understand that, but we do not perceive that to be any kind of problem in the territory here. Within one day, every trucker involved knows exactly who has what.

Mr. Byblow: Perhaps I have not studied the current bill adequately, but is there a requirement, currently, by the board to advise all authorities when a new authority is issued? Seriously, I raise the prospect that an authority can be granted with no knowledge of it within 14 days and we have a problem.

Hon. Mr. Tracey: No, there is no notice given to all other truckers. Under the existing situation, they have to advertise in the *Yukon Gazette*, as they still do, except for the temporary permit.

This is a temporary permit we are talking about. We are not talking about a permanent license. We are only talking about a temporary permit. They still have to advertise in the *Yukon Gazette* for a license. We are just talking about temporary here.

However, even under the existing situation, where it is advertised in the *Yukon Gazette*, someone might end up getting licensed without everyone else knowing it. It is their responsibility to check the *Yukon Gazette* and make sure that they are covered.

Mr. Byblow: I do not want to belabour this or annoy the minister, but the minister does know that the *Yukon Gazette* publication can take up to a month and six weeks before the public

aspect of it is dealt with or before it is made public.

Hon. Mr. Tracey: They all have to advertise in the newspapers. They cannot get a license without advertising in the newspaper. It is up to the people who are in the industry to keep their eye on it. It is not up to the government to inform everyone who has a license that there is someone else applying.

Mr. Byblow: I would take exception to that, because I think, when government is changing the rules, you have some obligation to advise the rule change. There is a rule change taking place when a new authority is granted. I do not want to belabour this.

Hon. Mr. Tracey: We are not changing the rules and we are not issuing new authorities. The issuance of a new authority has to carry on in the same manner as it does now. All we are talking about is a temporary certificate. We are allowing someone to come in here, with a special piece of equipment or whatever, and get a temporary certificate. If someone objects to it, some local guy who says, "Hey, I have got that piece of equipment", he can go and object, within 14 days. We are just talking about a temporary license, not a permanent license.

Mr. Byblow: Let us review the situation. We have a situation where a temporary authority is requested for the transportation of goods between Point A and Point B. That application receives temporary certification. We could easily have the situation where someone else already has an operating authority between those two points and we have no guarantee that the original authority will be notified in order to raise a complaint about the second authority being granted.

Hon. Mr. Tracey: If there is a certificate now existing between Point A and Point B, the board has all of that information. However, we are not talking about an application for a regular license, we are talking about a specific temporary certificate.

As you will see, they cannot issue a temporary certificate to an outside company: they have to be resident in the Yukon. The only reason they could issue one to an outside company is if the equipment is not available or the person who has it in the territory does not want to do the job. Then, they give him a temporary certificate. There is nothing in here that is taking anything away from anyone who already has an operating authority.

Mr. Byblow: If the minister is giving me that assurance, I can accept that. I am raising the very obvious potential for abuse, that could take place if you are not adequately advising operating authorities when new authorities are issued, temporary or not. The minister seems to give me an assurance that the intention is not to permit unfair competition in the transport of goods and I will simply have to accept that.

Can temporary authority only be granted for special goods, or can it also be granted for the regular transportation of goods between two points for a temporary period? Going back to my original example of a run from Whitehorse to Dawson, if trucking company A has an operating permanent authority and trucking company B applies for a temporary authority for whatever reason, and is granted it, again for unusual reasons, is that a nature of a temporary authority that can they grant it?

Hon. Mr. Tracey: The analogy is correct but the procedure is wrong. Someone would not get a temporary authority. Under the existing situation now, a person applies for a licence. Say you own a couple of trucks and you have a job with X company to do things, and you need the operating authority. Under the existing situation you have to apply to the board and the board has to make you wait to get an authority. They cannot give you the authority legally until they have gone through the hearing process. Under this situation the board could issue a temporary certificate until the hearing is held. And then, they could either give you the licence, or they could refuse it. Under the existing situation, if they give you a temporary operating authority, it is exactly the same as giving you a licence. They might as well give you the licence. It is mainly to deal with specialized equipment or times when equipment is not available and someone else has to come in and do it. Someone else has the equipment in the territory, but they do not have a licence. It is to cover those situations that are just short term.

Mr. Byblow: I think all I am seeking is the assurance for the record that there is not going to be the opportunity here for a

trucking firm to be wiped out of business simply because another operating authority was issued for that particular route or the transport of those particular goods, given the fact that the original operating authority was doing an adequate job and providing the need of the transportation industry between those points. I am talking in terms here of the public interest being served. The ultimate extension of that is that you could have the public interest not served.

Hon. Mr. Tracey: I do not know what the member thinks the board is. If the board wanted to give him a temporary authority, and wipe out someone else, the board would not be around very long. Its function is to try to make the trucking industry function as well as it can possibly function in the territory while providing service to the public. The board's number one responsibility is to the general public; it is not to the trucking industry. It wants the general public to be served as well as possible. That is the reason for the board being there.

The board's function is not to protect the truckers, although they have to take the wellbeing of the truckers into consideration when they are issuing the licenses, its function is to give the general public the best service it can get for the least amount of money. If it wants to put trucking companies out of business, the board would not be around very long, and it would be able to do it without a temporary permit; it could give out licenses.

Hon. Mr. Lang: Just to give you an example of how this works, last spring a contract was let and there were a number of local trucks that were available to go to work. The contractor wanted to hire them, but their operating authority had either been cancelled because they had not utilized them in the past years, or else they had not renewed them. Subsequently, it really became a major hassle with respect to trying to have an avenue for these local truckers to get to work, expeditiously, on behalf of the contractor.

It was brought to my attention, as an MLA, which, in turn, I related to the minister. This particular section will take that into account, if this comes to be. When you look at the economic situation, which I am sure the member for Whitehorse North Centre would concur with at times, you do not buy your licenses because your truck is not working. These are the problems you get into and, I think, from your point of view, as far as the safety clause is concerned, to ensure that somebody else, who is operating legitimately and has the authority, is not going to be severely hurt.

The safeguard against that, I would suggest, is under section 9. If you read that, it states, "The holder of a certificate or any other person affected by the issuance of a temporary certificate under subsection (6) may, within 14 days of the issuance of the certificate, apply to the board to have the temporary certificate amended or revoked".

That is the safety valve there with respect to that particular section, in case, unknowingly, there has been a mistake made, or whatever the case may be. I think it really fills a void that now exists in the legislation because I know, as a member of this House, and I am sure I can speak for other members, the absence of this clause has caused problems to local people in getting licensed and going to work when the work is available. We all know, especially within the construction or trucking industry, it is generally 12 hours' notice. It certainly is not a month's notice. This makes it possible.

Mr. Byblow: I can appreciate the further explanation provided by the member who just spoke. I can accept the intention of the five clauses introduced in this section. I think the minister and I have debated, not so much the intention of the clause providing the opportunity for trucking firms to operate, rather I was pursuing the potential for abuse to existing authorities. I think I have received, from both ministers, the kind of assurance that leads me to believe that certainly the political accountability would prevent that from happening.

I would point out to the minister who just spoke that I have already raised the question surrounding Section 9, of the potential that the temporary certificate may not be known to have been issued within 14 days. We talked about that already and I do not want to raise it again. But, certainly, in my opinion, it is possible for temporary certificates to be issued and the affected parties not to

know until after the 14 days, after which, of course, their right to complain is waived.

Again, the minister and I have already debated that one and that is not the intention. The minister assures me that within 14 days every trucker in the territory knows and I will remind him of that, should it ever occur that someone did not. I am prepared to proceed with the approval, if my colleagues have no questions.

Clause 6 agreed to

Mr. Chairman: We shall recess until 4:10.

Recess

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

Before we proceed, may I suggest, particularly to the minister, that several wanted to talk at once. I will remain with my ruling that the minister in charge will talk. If others want to talk, please get an indication from the minister in charge, so we do not have two talking at once.

We shall now go on to subclause (7).

On Clause 7

Mr. Byblow: The reference here related to another section in the existing bill 25(5). Given the debate that took place just before the break, I would be curious as to why this provision is being inserted?

Hon. Mr. Tracey: I will read the old 25(5). "Where the board learns before it issues a certificate that a person desires to be heard in relation to the matter, the board shall not issue the certificate until the person has been given an opportunity to be heard. The board may postpone the issuance of a certificate until a public hearing or further public hearings have been held".

That is what we are taking out and we are substituting this for that: "Subject of subsection 4, if someone notifies the board that they want to be heard, the board may postpone issuing this certificate until a public meeting". It does not necessarily mean that they have to postpone issuing a certificate, but if they feel that the person has a justifiable complaint or objection, they may postpone until after a public hearing.

Clause 7 agreed to

On Clause 8

Clause 8 agreed to

On Clause 9

Mr. Byblow: Does this clause substitute for the withdrawal of a clause relating to financial authority?

Hon. Mr. Tracey: No, the existing Section 32 of the act deals with administration of the act. We have taken administration out from under the purview of the board. So, rather than having to renumber the whole thing, we have taken that administration part out and we have substituted this section here.

Clause 9 agreed to

On Clause 10

Clause 10 agreed to

On Clause 11

Clause 11 agreed to

On Clause 12

Clause 12 agreed to

On Clause 13

Clause 13 agreed to

On Clause 14

Mr. Byblow: This a change from an annual review and I guess what I would be curious about is: why did the government feel that a three-year review was adequate on the one hand, and not too long?

Hon. Mr. Tracey: In the past couple of years, the board has reviewed every licence to date. The board, itself, feels that it is not necessary and it is a waste of time really to review every year unless there are specific instances where they should review them. It feels that once every three years would probably be adequate, while allowing it to review if it feels an earlier review is necessary. That is what we have done; we have put this section in here that says, "it shall be not more than every three years". At least once in every three years every licence will be reviewed.

Mr. Byblow: I guess I would be curious in relation to this

clause and to some of the previous discussion: how long would the minister view to be a temporary certificate?

Hon. Mr. Tracey: A temporary certificate is either issued for a specialized piece of equipment for the duration of the job in the territory, or, if it is issued with respect to an application for a permanent licence, only until the process is gone through and they do their advertising and the rest of it. It is just a short-term, temporary thing.

Mr. Byblow: There is no conceivable way that the temporary authority could extend a year and longer?

Hon. Mr. Tracey: No, unless it was for a temporary piece of equipment, which is possible, but I would think it would probably be a maximum of two or three months at the most; a summer operation or whatever.

Clause 14 agreed to

On Clause 15

Clause 15 agreed to

On Title

Title agreed to

Hon. Mr. Tracey: I move that you report Bill No. 18 out of Committee without amendment.

Motion agreed to

Mr. Chairman: Bill No. 18, *An Act to Amend the Transport Public Utilities Act*, is passed through the Committee of the Whole without amendment.

Bill No. 7: Public Utilities Act

On Clause 1

Hon. Mr. Tracey: As I said in second reading, yesterday, this is to expand the *Public Utilities Act* to include gas. Also, as in the *Motor Transport Act*, it allows us to give policy direction to the board. Basically, any other questions you have, I will be glad to deal with them as we go through the act.

Mr. Byblow: I have this strange feeling that opening debate on this bill will be much the same as the last one.

During the minister's second reading speech, today, he did, indeed, talk about the intention of the bill to be providing the opportunity for board direction to be given by this government. Much as in the transport bill, I had some questions surrounding that intention.

I suppose, by way of clarification and to begin the debate, I would like to ask the minister if he perceives the intention of this bill to clearly not interfere with rate setting by utility companies, in the instance of electrical energy?

Hon. Mr. Tracey: Not necessarily. For example, if it was the government's intention or policy to equalize rates throughout the territory, we would give that as the regulation to the board. That would affect rate-setting, under those circumstances, but, to deal with individual cases, no, it would not be our intention. It would only be on the broad basis that we are talking about.

Mr. Byblow: So, again, the minister is saying that the intention is to set policy, as the parameters under which, then, the board will deliberate.

I guess the instances of specific cases is much less than in the previous bill because, in the previous bill, you could be dealing with 300 operating authorities; in this bill, you are probably going to be dealing with, at best, half a dozen licensing and rate setting matters.

The logical question that would follow, then, relates to the independence of the board. Given that government sets policy by regulation, as to the parameters under which the board operates — and we are dealing only with half a dozen or less utility companies — it becomes self-evident that, in that policy, the government could be fairly specific and limiting in the range of opportunity that the board has before it to affect rates.

I raised, during, I think, second reading, the question of this government's involvement in a utility company. There was the whole matter of fair return that is raised as a result of that. That is not what I want to establish, at this point.

If government, through policy, implies or states, that a rate shall be determined which will affectively permit "x" as a rate of return, then the board has very little to deliberate in setting that rate.

Would the minister not agree?

Hon. Mr. Tracey: He would not agree. Even if we were to say Yukon Electrical is allowed a 14 percent return on equity, there is a great deal within those parameters that could be affected. That possibly could be something that the government could do. I would doubt that we would ever do that. As far as trying to influence the board to consider what the government wanted, if we were to go into partnership with Yukon Electrical for a hydro-generation station, there would be no way that we would be able to take something away from Yukon Electrical to give to Yukon Hydro.

Say we want to develop a homegrown hydro or made in Yukon or Yukon-owned company. If that was the government's philosophy and that was a regulation that we put out, then the board would have to operate under that philosophy. If that were the case, maybe it would affect Yukon Electrical, for example. That would not change. The government at any time could move on Yukon Electrical or any other utility in the territory, if it really wanted to.

We are back in the same situation as we were talking about trucks. We are talking about a general kind of philosophy, or policy, that the government wants to see the board address when they are setting rates and when they are dealing with proposals that come before them. There is no intention to give a direct order.

Mr. Byblow: I appreciate the minister's range in response because he addressed several areas that perhaps will shorten the length of debate. Going back to the original question, that if this government established a policy of a fair rate of return to a utility company, and that was the parameter under which the board deliberated to establish a rate, I submit that there is very little latitude in setting that rate, being given to the board. As the minister indicated in his example, if this government establishes by directive that 14 percent is a fair rate of return to a utility company, then once you examine the operational statements and the balance sheets of the utility company, it is self-evident what the rate shall be.

Hon. Mr. Tracey: No. The member is wrong. It is not self-evident. There are a great deal of other things involved in rate setting. There is equipment; there is useful equipment; whether they are equalizing certain areas, or whatever they are dealing with. There is a great deal more involved than just the rate of return. The bottom line might be the rate of return on their investment but there is a great deal of other things that they are dealing with in setting that rate. Depreciation is another one that they would be dealing with, and whether equipment is antiquated and should be written off; out of the rate base rather than being in the rate base.

They deal with a great deal of things. For example: the Yukon Electrical Public Utilities Board gives a rate of return of, say, 13 percent, and they have been doing it for five years. Every time there is an application before the board, there is a great deal of paper to go through to make sure that the public is getting the best deal, while they are getting their 13 percent.

Mr. Byblow: I am glad the minister made the last statement, because, ultimately, that is the concern that we must address in this House, if nowhere else. The public interest must be protected in terms of the generation and delivery of the utility service.

I understand the minister to be saying that establishing a fair rate of return, as a policy, may be arranged, but a number of other factors are going to be determining the rate setting. Many of which the minister cited are really accounting practices, methods by which you calculate assets and liabilities of the company.

If I am interpreting what the minister is saying correctly, he is saying that this government, by policy will be regulating the accounting procedures to determine the value and rate of return for a utility company.

Hon. Mr. Tracey: That is what the Electrical Public Utilities Board does. That is its function. It looks at the books; it looks at all the facts and figures produced by the utility, and it decides the fair rate of return and whether the facts and figures it sees before it are accurate. A great deal of things can be switched around. I can mention one, for example. Some piece of equipment or a line may not be in use. Maybe it should be written off; maybe it should not be in the rate base, and we are paying a return on that rate base and it has already been paid for years ago, yet the public utility is still

recovering money from it. It has to investigate all of those things every time it deals with a rate application. All of those facts and figures have to be justified to it. That is the function of the board; it is certainly not the government's function. That is the reason for the board being there with all its expertise.

Mr. Byblow: I appreciate what the minister is saying; that in setting policy, it gives the board the guidelines to determine, in addition to a fair rate, a fair return.

« I want to explore briefly, for a moment, this government's participation in the public utility industry, if you will. How does the minister reconcile the apparent conflict that takes place when it is involved in the ownership of a utility and, at the same time, is setting the guidelines for the rate of that utility? The apparent conflict, to put it in more words, is that, on the one hand, you have an ownership in joint partnership with private industry, whose objective is to make the highest profit possible and, on the other hand, you have the protection of the public interest through policy that ensures protection of the consumer. Those are conflicting objectives and I would be curious as to how the minister feels his government is addressing this.

Hon. Mr. Tracey: The members must realize that the Electrical Public Utilities Board, although the policy that they function under is set by the government, is free and independent of the government. The way that it would deal with that situation is the same as the way it would deal with it in any other province where they have a mixture of private and public utilities.

In British Columbia, there are private and there are public utilities. BC Hydro is owned by the province and it is a public utility and its rates are all set by the board. Kootenay Light and Power is a private utility and its rates are also set by the board. The board functions independent of government and it looks at the fair rate of return to the private utility and gives it that fair rate of return, exactly the same as the present board now does with Yukon Electrical. If we were to have a public utility in the territory, it would do exactly the same thing. The only thing that it would not consider is a return on equity, unless the utility was trying to build up a base for expansion.

So, there is nothing changed, whether the public is involved or whether it is not. It means nothing to the electrical public utilities boards. It is just treated in a different manner, that is all.

Mr. Byblow: The minister has admitted that, in the instance of a public utility, you have the absence of the profit motive. In the instance of a private utility in joint partnership with government, you have a mix of the two to the dominance of the private, meaning that you have the profit motive. If we have Yukon Hydro as the example, I recall, specifically, that, in one recent year, Yukon Hydro showed a return rate on equity of over 100 percent.

Hon. Mr. Pearson: Tell us, show us, show us the year. You have said this three times.

Mr. Byblow: I will send the document over to the government leader in a moment.

· It would appear quite obvious to me that we have a conflict here, in terms of establishing a fair rate of return, when you couple that with protecting the public interest, the consumer, and providing him with a public utility service at the lowest possible cost.

« **Hon. Mr. Tracey:** Even if Yukon Hydro did show a return on equity of over 100 percent — and that may be a possibility only because Yukon Hydro is a very old plant, as it has been sitting there for a great many years — and the power that it is selling to Yukon Electrical may have Yukon Hydro showing a larger return on equity, the whole thing is lumped together with Yukon Electrical and it is treated on the basis along with Yukon Electrical. It is not that Yukon Hydro gets a great windfall profit. That does not happen. Even if the government were in partnership with Yukon Hydro, and there was a profit shown — even if they did operate it and they had to show a return on equity of, let's call it 10 percent — the return on equity the government's share would ordinarily be comes back to the people of the territory. There is no loss to people of the territory in a mixture of private and public. There is no loss at all. If there is a profit, it goes to the people of the territory. It is used for future expansion or whatever you want to use it for; or it goes to general revenue. It does not matter where it goes, it is still coming back to

the taxpayers.

Mr. Byblow: I guess this is a debate that could go on *ad infinitum* because I am still not persuaded and convinced that what the minister is saying adequately protects the public interest, when you have such a high rate of return available to a utility company not under any particular guideline by the board, to have that utility or to have that rate affected. I still find it something of a conflict in terms of the apparent rate of return that has to be guaranteed to the private utility laid up against the public interest, which is to provide the consumer with the cheapest power possible.

Hon. Mr. Tracey: I thought I explained it last time. The Yukon Hydro and the income of Yukon Hydro is lumped in with Yukon Electrical. They do not get a great big winfall profit. They might have a large return on equity, but that does not mean a thing. All of that equity is part of the revenue of Yukon Electrical Corporation and it is treated as revenues of Yukon Electrical Corporation.

If we were to go into partnership with Yukon Hydro, there would be a fixed asset value for Yukon Hydro. We would invest whatever we invested in it and that would be the equity of the two, jointly together in a new Yukon Hydro, would have. You can take it from there. You would run it just the same as you would run any other utility. The only thing is that right now Yukon Hydro is so old it has been written off a long time ago. It is saving us an awful lot of money because it has been written off a long time ago. Under a new corporation, the value of those assets would be set and we would carry on from there.

Mr. Byblow: To simplify what the minister is saying about the case of Yukon Hydro, he is saying that the assets are not properly accounted in the current financial accounting. He is saying further that they are part of Yukon Electric. I guess that raises another whole spectre of things.

Earlier, in some comments, the minister said that one of the purposes of this bill, and purpose of its policy that will come through regulation, was to, in effect, have some control over the utility marketplace and to exercise some control over the development of the resources related to electrical energy. Now, he is advising me that the accounting procedure of Yukon Hydro is inaccurate because there is a lumping taking place with Yukon Electric. I know for a fact that Yukon Electric and Yukon Hydro have almost identical boards. Suddenly I am in a quandary as to what relationship this government is nurturing with Yukon Hydro and Yukon Electric. We are waiting for a response.

Hon. Mr. Tracey: I do not know why, but he seems to be looking for something to hang on the government here, or hang on someone. There is absolutely nothing in what the member says that has one basis in fact.

The assets of Yukon Hydro and the assets of Yukon Electric, for the purposes of rate setting, are all lumped together. That does not mean that Yukon Hydro is away off, and that all its accounting policies are inaccurate. It is all right. The whole thing is lumped together with Yukon Electrical for the purpose of setting rates in the territory. We benefit a great deal from it, let me tell you, because we get very cheap power from Yukon Hydro.

There is nothing under the table there; it is done as a benefit to us, and it is a great benefit to us. There is absolutely nothing that could be changed that would be more beneficial to us with regard to Yukon Hydro.

Mr. Byblow: I would like to say that I completely understand what the minister is saying, and that I completely and wholeheartedly believe what he is saying, but I cannot say that until I have a little more detail. The minister is saying that for some reason, the territory is getting better power rates because of some relationship between Yukon Hydro and Yukon Electric. I assume that to be simply that one sells to the other the energy produced on McIntyre Creek. Yet, when I review the statements of Yukon Hydro, I see the massive dividends made out. I am curious how this relates to this benefit, territorially, that the presence of Yukon Hydro in the system gives us.

Hon. Mr. Pearson: I think my colleague is doing an admirable job, but I cannot sit all the time and listen. Maybe I can try and explain it a little clearer.

Yukon Hydro and Yukon Electrical are owned by one company: the company is called Alberta Power. It has a number of other subsidiaries. As it happens, those two subsidiaries of Alberta Power sell electricity to people in this territory and, therefore, come under the purview of the Electrical Public Utilities Board.

When the board was first set up — and I happen to know whereof I speak as I was on it — there was a very clear indication from the public utilities board of the territory that, from that point on, Yukon Hydro and Yukon Electrical would be treated as one entity, with respect to rate setting in this territory. You see, Yukon Hydro does not sell electrical energy to anyone except Yukon Electrical. It is a very nice, in-house deal, because they can sell it for whatever price they want to their own subsidiary.

We do not care how much they charge Yukon Electrical for the power that they produce at Yukon Hydro; they can charge them anything they want. Given their internal bookkeeping, we do not even look at that. What we do know, though, is how much money it costs Yukon Hydro to produce the power that they produce and we know how much money it costs Yukon Electrical to buy the power that they produce from NCPC and we know how much money it costs to transmit the power that they transmit. We take those three factors and that is all — just those three factors — plus all of the equipment and everything else.

I have to try and make the point again. One of the factors in Yukon Electrical's costs is not the cost of purchasing power from Yukon Hydro. We do not care how much they pay Yukon Hydro or how much Yukon Hydro charges them; that is strictly an internal bookkeeping system.

So, if Yukon Hydro wants to make a lot of money one year and pay their shareholders a big dividend, they can do that by charging Yukon Electrical more money for the power. The thing is, it does not cost the people in this territory more for that electrical power, because the rates that Yukon Electrical are paid on, by the board, are based on the cost of producing the power, not on the cost of buying it. I hope that explains it a little clearer to the member.

Mr. Penikett: I just wanted to get up and say I thought my colleague was doing a good job, too.

If I can help my colleague understand it — as I have been listening to the explanations of the two ministers — what it is, Mr. Byblow, that the government is intending to do is — what they really want to do is — they want YTG to become a subsidiary of Alberta Power. I think that is, basically, what the minister is proposing.

Hon. Mr. Pearson: I am most surprised at the line of questioning from that side of the House. After all, traditionally, philosophically, their party has been very, very strong proponents of this kind of government intervention into the private field.

Mr. Penikett: It is an interesting philosophical discussion. We, of course, support public enterprise and we are very interested in social ownership. We are not so interested in state capitalism. We believe in public utilities in respect of public power. What we are a little apprehensive about is the possibility of us becoming a junior partner of a private utility. The fact that such a relationship might become, how could I say it, so imbedded in the sort of local reality, that the possibility of the local public some day getting control of local power development might be, in some way, constrained.

I say this in a very serious way. I say this to the government leader because I think, with respect to things like the Penner Report, we have some measure of agreement. I believe very strongly in public ownership of public utilities. I also believe even more strongly that the public ownership should be by the public that those utilities serve. I am not a great fan of the present arrangement, Northern Canada Power Commission, where the Canadian public owns the utility that serves the local public. Under that arrangement that utility is not effectively accountable to the public it serves. The most desirable arrangement, I submit, will be one we presumeably can achieve one day, where power development in this territory and power generation will be genuinely a public service, in that it is, in fact, owned and controlled by the public; the people of this territory.

Hon. Mr. Pearson: I do not have any philosophical problem with what the member has just said at all. That is the goal and the

object of this government, and it always has been. It is a fact that we must learn to crawl before we can walk and we are in that process. I respectfully suggest that if we can get this merger of public and private off the ground, in this territory, it is going to go a long way to enhancing our chances of eventually taking over all of that particular utility in the territory.

Mr. Byblow: Having had that elevated entry into the debate by our leaders - or statesman — I feel somewhat humbled to continue the debate. I am wondering if the Minister of Municipal and Community Affairs or the Minister of Economic Development, on the occasion of his newfound maturity, combined with the occasion of his birthday today, might have something to contribute to the debate. I am sure that he will, in due course, have something to say. I think the opposition would like to wish the minister a happy birthday.

The minister undertaking the responsibility for the bill has a couple more questions to deal with from me. I suppose I will leave the question of policy setting and rate setting to some of the detailed clauses of the bill in terms of implications.

⁵⁰ One of the shifts in this bill — I believe it to be a shift — is provision for the opportunity by this government to undertake actual capital costs related to expansion of a utility. I realize this comes up later in a clause, but I am curious at this point in the general debate as to what relationship this opportunity has to policy of government.

Hon. Mr. Tracey: Let us take, for example, that there was a big mining property developing on the South Canal Road, and they wanted hydro power. To extend the line to this property for the community under development may be too costly. If they had to recover the costs out of the rate base, it would raise the price of power to those people, and perhaps to other people in the territory to a level that we would not want to see. What we have done is made this provision in the act so that if, for example, we wanted to have that extended under any circumstances, we could throw in enough capital dollars so that the cost would not be prohibitive and it would not increase the rates tremendously.

We also may decide, for the benefit of the people of the whole territory, and for the economic development of the territory, that we want to extend a grid from BC Hydro to us, and we want it to go through the Yukon Territory. If that was added into the rate base, and the people of the territory had to recover those costs, it would be prohibitive. We may want to do it under any circumstances, so this allows us the flexibility to inject the capital dollars to allow it to happen to the benefit of the territory without the Public Utilities Board having to consider it in rate setting.

Mr. Byblow: I am sure the minister realizes that ultimately the consumer does pay if it is in the form of a loan. I assume that the nature of this injection will be by a policy yet to be determined; whether it is a grant, whether it is a loan, whether it is equity participation, or whatever form it may take. In summary, the minister is saying that this shift towards the expansion of utilities is intended to expedite the resource development in the territory.

Hon. Mr. Tracey: It could be resource development, or it could be developing the grid. Maybe going to BC would not be a good example, but perhaps extending the grid to Dawson City would be an excellent example. The long-term benefit to the people of the territory may be great, whereas in the short-term, in order to recover that cost, the people of the territory could not stand the electrical rates.

Maybe we will have the money some time in the future to do it. Maybe we would borrow the money from the federal government, because we feel it is most advantageous to the people of the territory that it be done. All we are doing is making provision for that in here. There is no statement in here that that will be done; it is just making the provision so that it could happen in the future if it was deemed necessary.

⁵¹ **Mr. Byblow:** There are several items that, for the record, I want to be very clear on. With respect to this policy direction that we are generally talking about, which is one of the intentions of the bill, as in the case of the motor transport bill, can this direction only be given through regulation?

Hon. Mr. Tracey: Yes.

Mr. Byblow: Similarly, throughout the bill are a number of clauses relating to a similar issue that I raised with the motor transport bill: that was the discretionary right of the board to hear an appeal. Can the minister tell me if his government, in preparation of this bill, has taken a different position than historically has been the case, in terms of the opportunity for complainants relating to applicants?

Hon. Mr. Tracey: No.

Mr. Byblow: So, if a utility company makes application for a rate increase, for example, and the board makes a judgment or ruling and, subsequently, issues an order, does the company have a right of appeal to that?

Hon. Mr. Tracey: Yes, it not only has the right of appeal to the board, but it also has of appeal to a court.

Mr. Byblow: The other item that I wish to raise with the minister relates to the right of the minister to listen to or not listen to recommendations of the board. Again, these are scattered throughout the bill, relating to investigations, relating to rate increases, relating to operations and relating to extensions. If the obligation by the government to listen to the board is purely discretionary for the minister to heed or not, what is the purpose of the board?

Hon. Mr. Tracey: It is always discretionary for the government to listen to a body that it has appointed. There is always the opportunity for the government to actually repeal the legislation or change whatever the recommendations of the board are, if they feel very strongly about it.

It is not the intention, under this act, or the intention of this side of the House, to restrain the Public Utilities Board; however, there may be circumstances where the Public Utilities Board is recommending something be done that the government in power, of that day, may feel, in its wisdom, would be ultimately detrimental to the people of the territory so it may decide that the actions taken by the board are not in the best interests of the territory and not in the best interests of the government and make the decision that, no, it would not do that. That is not necessarily saying it has anything to do with the rate; it may be something to do with expansion or whatever. The government has to have that ability to make that decision.

⁵² **Mr. Byblow:** Given that position by the minister, and I do not necessarily disagree with it, but logically following from that has to be an accountability process. Is the minister going to be accountable for the actions of the board in this House?

Hon. Mr. Tracey: I think the first time that the government ever overruled the board, we would be in this House arguing about it. I am sure if I was in the opposition I would be raising the issue and there would be a big debate about it. I am sure that the members on your side of the House would be doing the same thing.

Mr. Byblow: What procedure is going to be followed that will permit the public and, therefore, the opposition, if you will, to know that the government has overruled the board in a recommendation relating either to expansion or rate increase, or whatever? It seems to me that there is an internal process that is going on between the board and the government that is not necessarily public. Therefore, the public may not in fact be aware of what is being recommended and what is not.

Hon. Mr. Tracey: I do not have the detailed sections picked out right now, but certainly there is no intention of this legislation, or no intention of the government, to be hiding anything from anyone. The board operates on a public basis and deals with certain matters to do with rate setting. There are also other circumstances where the government may have the board investigate, for example, as the member across the floor has just finished reading — is in the process of reading — the rate study on equalization that the government had done by the electrical public utilities board.

Because the electrical public utilities board makes a recommendation that we should not equalize or we should give subsidies does not necessarily mean that the government has to accept that recommendation. That is the kind of thing that we are talking about. We do not have to accept that recommendation. If, in our wisdom, we decide we want to equalize, regardless of what the board says, we equalize. We are not talking about dealing with rates of Yukon Electrical or something like that.

Mr. Byblow: I can relate to that and I can understand that if the government wished to set a policy that power rates in the territory shall be equal, and that the utility board was charged with the best way in which to do this, it could, in fact, come up with the report the minister mentioned and suggest four or five different methods by which this can be done, and conclude by a recommendation of which one is the best. I am assuming from what the minister says, it is the prerogative of the government to decide whether it considers its application of policy to be in conformity with the recommendation of the board. If the minister is, at the same time, saying that whatever decision ensues from a recommendation of the board, this government takes on the accountability responsibility for it in this House, then I do not think we have much problem with that.

« I had another question. It relates to the entire question of undertaking control, and I use that word quite vaguely because I am not sure what the minister meant when he talked about one of the intentions of this bill being to get a better control of electrical energy in the territory.

Currently, we have a delivery of that utility by NCPC, and otherwise by Yukon Electrical. NCPC operates under a federal act and I believe there is a point in this bill that says all of the legal obligations of NCPC and all the other utility companies remain in force at the time of this act. I would be curious what measure of control this government hopes to exercise over NCPC, who are an extra-territorially operated and controlled regulated body.

Hon. Mr. Tracey: I am having a hard time understanding. I do not know what he is referring to. When I mentioned control, certainly we want control of NCPC. That has been a position of this government from day one, when NCPC was set up. We feel that we have to pay for the power and if we are responsible for all the costs of NCPC in the Yukon region, we feel that we should have control of that facility. Our position has not changed. The National Energy Board is now being given the control of NCPC by the federal government. We will be involved in that control by an appointment to the National Energy Board to deal with rate setting in the north.

Our position has never changed from day one. We feel that Yukon Electrical belongs to us and we should be controlling it and it should be controlled by our Electrical Public Utilities Board. We are no different than the members across the floor in that respect.

Mr. Byblow: I do not think the minister understood what I meant by control and I probably did not explain myself well enough. What I am getting at is that NCPC is currently regulated from outside the territory, so to speak. It is only a token exercise that it submits itself to the former Electrical Utilities Board.

The minister can be assured that there is no problem from this side. We, too, would like to see NCPC under the purview of the territory, as a public utility in that respect. With respect to the control question, how is this government going to have any influence over NCPC through its choice of setting policy under which the Utilities Board operates under the current administration?

« **Hon. Mr. Tracey:** It is not going to have any and that is why I was confused about the question, originally. I did not understand what control you were talking about because, certainly, we do not have any control over NCPC and this legislation is not going to change anything.

Mr. Byblow: So, with respect to rate setting then, we have the simple situation that NCPC will continue to be operated under its present authority and affecting rates according to the act, by which it is obligated to ensure it breaks even on the operations and debt load, and sets the rates accordingly. Any policy attempts by this government to influence the electrical costs in the territory will not have any influence on that aspect of delivery.

Hon. Mr. Tracey: The member is right. The rates set for NCPC will be set by the National Energy Board. It will take everything into consideration and it will set the rates. The rates that they set will be what Yukon Electrical purchased power for. Whatever other recommendations or anything else that happens with NCPC or what the federal government decides to do with NCPC, with regard to debt or the movement of head office and all the rest of it, all of those costs will also be addressed by the National Energy Board. None of that will come to our board. The only thing that our board will be dealing with is the price that

Yukon Electrical pays NCPC for its power.

On Clause 2

Mr. Byblow: I have a question arising out of the definition of "public utility", the extent to which one can generate energy for himself if he is involved in some type of business. For example, in the case of a highway lodge, is that, in any form, a utility where the operator manages the transmission of energy for his own needs?

« **Mr. Byblow:** I am curious, from the minister, what principles he is going to apply in appointments to the board?

Hon. Mr. Tracey: As members know, the existing board consists of three, with an alternate. What has been happening, so far, is that in order for the alternate to be up to speed on what is going on he usually has to attend all the meetings anyway. What we are saying here is that we will give the government the flexibility to have anywhere from three to five members, so that the alternate member can also be a member of the board. It does not necessarily mean that it will be a five-man board; it allows for expansion in the future.

Mr. Byblow: I appreciate the very excellent explanation of why the numbers, but the minister did not answer what guidelines he is going to use in appointments to the board.

Hon. Mr. Tracey: We are going to choose the best people in the territory that we can find.

Mr. Byblow: Best, in relation to what?

Hon. Mr. Tracey: Best in relation to what the government feels are the best qualities to serve on the board.

Mr. Byblow: Well, that is terrific. What qualities does the minister have in mind when he will be considering applicants for appointments to the board? Let's get serious. Is there going to be an interest relating to energy; is there going to be an interest relating to business; is it an interest relating to political affiliation; what are the qualities going to be?

Hon. Mr. Tracey: Imagine the member across the floor raising political affiliation. The person appointed would be a person in the territory who has the expertise that it is felt is needed on the board at that specific time. The best person we can find in the territory to do the job will be appointed.

Right now, for example, we are short some engineering expertise on the board. Within a short period of time I am hoping to appoint someone with some engineering expertise. That is not all that is needed, but certainly some engineering expertise is. Political affiliation is not taken into account.

Mr. Byblow: I am absolutely delighted to hear that, and I will be watching closely. Is it the intention of the minister to have the current board become the new board, as it were?

Hon. Mr. Tracey: Yes.

Mr. Byblow: Subsection 2 relates in part to this accountability process. Is my interpretation correct, of this clause, when I assume that with respect to any dealings that the board may be involved with relating to any delivery, operations, or rate setting, that the board has taken part in, it is accountable?

Hon. Mr. Tracey: The board is accountable to the minister and the minister is going to be accountable to this House.

« **Hon. Mr. Tracey:** He will be accountable to the House.

Mr. Byblow: It sounds good to me.

Clause 3 agreed to

On Clause 4

Clause 4 agreed to

On Clause 5

Mr. Byblow: I would like just a brief explanation of Clause 5(1), because "substitute" is not a common practice. Is the intention a temporary posting, as it were? Why this clause and, of course, the next one; they go hand-in-hand?

Hon. Mr. Tracey: This is to allow the government the flexibility to appoint a substitute member if something happens to one of the members on the board, suddenly, and we need a substitute to carry on whatever the board is doing at that time. It allows us the flexibility to allow that to happen.

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

On Clause 7

Clause 7 agreed to

On Clause 8

Mr. Byblow: Before you clear Clause 8(2), I would be curious as to how frequent the current board has found it necessary to meet and whether twice year is normal?

Hon. Mr. Tracey: No, it has met more than twice a year. What we are saying here is that it should, at least, sit twice a year to keep itself up to date.

Clause 8 agreed to

On Clause 9

Clause 9 agreed to

On Clause 10

Clause 10 agreed to

On Clause 11

Clause 11 agreed to

Hon. Mr. Tracey: I move that you report progress on Bill No.

7.

Motion agreed to

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

Motion agreed to

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of Committees?

Mr. Brewster: Thank you, Mr. Speaker. Committee of the Whole has considered Bill No. 16, *An Act to Amend the Real Estate Agents' Licensing Act*, Bill No. 17, *An Act to Amend the Securities Act*, Bill No. 18, *An Act to Amend the Transport Public Utilities Act* and directed me to report the same without amendment.

Further, the Committee has considered Bill No. 7, *Public Utilities Act* and directed me to report progress on same.

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

Some hon. members: Agreed

Mr. Speaker: May I have your further pleasure?

Hon. Mrs. Firth: I move that the House do now adjourn.

Mr. Speaker: It has been moved by the hon. Minister of Education that the House do now adjourn.

Motion agreed to

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

The House adjourned at 5:26 p.m.

