



The Yukon Legislative Assembly

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HANSARD

Tuesday, October 25, 1983 — 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 Phillipsen	Whitehorse Porter Creek West	Minister responsible for Health and Human Resources; and, Government Services

GOVERNMENT MEMBERS

(Progressive Conservative)

Al Falle	Hootalinqua
Bill Brewster	Kluane
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 Serfeant-at-Arms
Hansard Administrator

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

01 Whitehorse, Yukon

Tuesday, October 25, 1983 — 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: Are there any returns or documents for tabling?
Reports of committees?
Petitions?
Introduction of bills?
Notices of motion for the production of papers?
Notices of motion?
Statements by ministers?
Are there any questions?

QUESTION PERIOD**Question re: Northern pipeline offshore transportation study**

Mr. Byblow: I have a question for the government leader. The special committee of the senate, in its northern pipeline offshore transportation study, concluded that a lack of access to advanced educational training facilities will hinder northern hiring in skilled occupational categories. Does the government agree with that assessment by the senate committee?

Hon. Mr. Pearson: I was seeing if I could get the Minister of Education to answer the question, but she said it is not really a question because we do not have a lack of advanced education in the territory.

That was an observation of the committee. We are cognizant of that observation and have, in fact, reassessed our capabilities of providing education and training to people to work particularly in the Beaufort and in those areas of development that might be connected with the North Slope of the territory.

We think that, with the dialogue that we have underway with the proponents of the area, we will be able to provide the necessary training to Yukoners who want to avail themselves of such training and education so that they can get work in that part of Canada.

Mr. Byblow: The same committee concluded that there was a lack of educational training facilities; it was not an observation, nor an opinion. The senate committee also concluded that industry would have to work with government to upgrade the skills of northerners. What work is this government doing with industry to upgrade those skills of northerners?

Hon. Mrs. Firth: I will handle the questions, because I can see that the line of questioning is going to be appropriate to advanced education in Yukon. That was an observation of that committee and that was an opinion of that committee. I want to caution the member that the Government of Yukon has been working with the federal government trying to get an advanced education facility here. We could not obtain approval for funding for such a facility. We are the last area in Canada to have a facility of this kind. We applied under the Skills Growth Fund, at which time they gave us some monies for upgrading our present facility.

As far as starting new technology programs in Yukon, we have been in consultation with the various companies and we would like some commitment and some idea from those companies as to what kind of expertise they are going to require before we can institute those programs. Also, I would like to caution the member that we have difficulty getting funding from the federal government for some of the new programs because the federal government does not recognize them as designated occupations. It is a lot more complex and complicated than the member for Faro would indicate.

02 Mr. Byblow: The minister probably ought to be reminded that if we do not have the skilled workers we are not going to get the jobs in the Beaufort. The senate report also made the point that northern business will experience serious disadvantages from the lack of expertise that it may or may not have —

Mr. Speaker: Order, please. Is the hon. member making a speech?

Mr. Penikett: Oh, no. The speech is over there.

Mr. Speaker: Yes. Perhaps, as the guidelines show, a short sentence and then, certainly, the question would be appropriate.

Mr. Byblow: Certainly, Mr. Speaker.

Mr. Penikett: And then a 20 minute speech over there.

Mr. Byblow: This is my final supplementary. Because northern business has been identified through the Senate Report as lacking expertise in providing the specialized goods and services required by the petroleum industry, does the minister agree with the senate committee in that conclusion?

Hon. Mrs. Firth: I will attempt to answer this question as shortly as I can. If the leader of the opposition would quite watching the clock and listen to what I am saying, he will understand that I do have something to say and I do not very often get on my feet without having something to say.

We have 120 people who are presently working in the Beaufort and we do have people in Yukon with particular skills that these companies require. However, what the member for Faro is talking about is the chicken and egg situation. I am telling him that the Government of Yukon is in consultation with not only the federal Government of Canada, but with these companies to see what kind of skilled people they are going to require, to see if we have the capabilities of putting these programs in Yukon College, and to see if the federal government will assist us with the funding of those programs.

Mr. Byblow: What are we doing?

Hon. Mrs. Firth: What do you want us to do?

Mr. Speaker: Order, please.

Question re: Child welfare

Mr. Kimmerly: I have a question about child welfare services. It is essentially a follow-up question of yesterday's question.

The minister spoke about being receptive to proposals as long as there were qualified people to do the job. Did the minister intend to make a statement of policy concerning training or is it still the policy of the government that a training component could be built in to a proposal to decentralize the child welfare services?

03 Hon. Mr. Philippsen: We would, I believe, look at — I believe you are talking about native applicants — who would be interested in attending college in Fort Smith if we could be assured that the people who attended there for a period of time would indeed work in Yukon for a period of time after completion of a social work course.

Mr. Kimmerly: I am intending to be as general as is conceivable on these kinds of questions. The minister is aware of a specific proposal from an Indian band in the Kluane area. I am more generally interested in the general concept of the decentralization of services. Is it the government policy that, if a decentralization of these services were to occur in the future, a racial distinction of clients would not be made in accordance with other more general government policy?

Hon. Mr. Philippsen: What the member from Whitehorse South Centre is referring to is a section in what was proposed in the new *Childrens Act* which said that the duties of the director could be turned over to a community group or persons. This is the item that I believe he is raising right now. We have never at any time stated that we would turn over any of the responsibilities of this department to anyone who is not fully qualified. We have also never stated that we base those qualifications on a person's religion or whether he is native or not native. I believe that this department works very, very hard to try to get native people working with native social problems and in native areas if at all possible. The department does realise that, in a native community, it is far better to have a native social worker working with the community than a non-native person. But the person working, first of all, must be qualified. That is the first prerequisite.

04 Mr. Kimmerly: I thank the minister for a complete and a good answer.

I would ask about the present policy of the government — not any provision in Bill 8, but the present policy of the government. Is it

the policy to promote the decentralization into rural Yukon communities, either native or non-native, or mixed, and to promote that process?

Hon. Mr. Philipsen: Yes, we do promote that type of process. We currently have social workers working in Ross River, in Watson Lake and we are trying to in Dawson City. That is our policy.

Question re: Frenchman and Tatchun Lakes campgrounds

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

I understand that interviewing of applicants for work on the Frenchman and Tatchun Lake campgrounds is to begin later this week. Can the minister tell the House if his department has yet reached a formal agreement with the Carmacks Band on the development of the campground?

Hon. Mr. Tracey: No, and I should tell the House that there is no requirement that we develop a formal agreement with the Carmacks Band for the campground. That is not a requirement.

We agreed with the Carmacks Indian Band to try to work out a general overall agreement on how we would treat territorial parks in the future and guarantee them the right to work on them, the same as we do in a lot of other cases. But, as for requiring a formal agreement with the Carmacks Indian Band in order to put a campground into Tatchun Lake, there is no requirement that we do so.

Mrs. Joe: Was any study of occupancy rates at the existing Tatchun Creek Campground, or assessment of the need for expanded campground in the Tatchun Lake area, conducted prior to planning the Tatchun/Frenchman Lake development?

Hon. Mr. Tracey: I can assure you and the members across the House, from personal knowledge, that the Tatchun Creek Campground is full to overflowing every summer. The people are camped in gravel pits and other areas along the highway because the campground is full. What we are trying to do is build a facility that will handle the traffic that goes up the Klondike Highway. There is a great demand for that and it is also the reason why we are going ahead with a campground at Moose Creek.

Question re: Identification of agricultural land

Mr. McDonald: Yesterday, the minister said that identifying and protecting agricultural regions and plots would "come in when we get into the area of land use planning". As the government is already receiving and accepting applications for agricultural land now, what progress has the government made with land use planning to accommodate these applications?

Hon. Mr. Lang: As I indicated yesterday to the member, in response to a question along this line, we are having look at the property from a soil pedologist's point of view as well as the utilization of the agronomist who we have on staff. At the same time, we have a screening process which it has to go through, which is the Agriculture Development Council. I do not know, maybe the member opposite is suggesting perhaps that we should not be entertaining any applications. I disagree.

Mr. McDonald: This question does not have anything to do with a soil pedologist. I asked the minister yesterday what priority the identification and protection of agricultural land would have in the land use planning process and the minister answered that it would be only considered along with other uses. Let me ask the question another way: when land is identified as good agricultural land, with good farming potential, what priority will it have with other competing land uses?

Hon. Mr. Lang: It would depend on the land in question but, in most cases, I am sure that it would have a very high priority and it would be set aside for that case. At the same time, as the member indicated, it would depend on conflicting land use requirements in the particular area in question and each one, in many cases, would be different. From a general point of view, it would have a high priority.

Mr. McDonald: That was very reassuring.

I asked a further question yesterday regarding the policy of protecting agricultural land for agricultural purposes. Now, for good agricultural land that is already dispersed, is there any policy

protecting the land from sale for non-agricultural purposes?

Hon. Mr. Lang: For the land that has already been disposed of, yes. They cannot subdivide, so subsequently it has to be kept for the purpose that they are going to utilize it for.

Question re: Yukon News editorial re alcohol

Mr. Falle: I have a question for the government leader. In the editorial of the Yukon News last Friday, the government leader was accused of having a "flippant theory" with regards to the level of alcohol consumption in Yukon. Does the government leader have any statistical information which supports the statement that Statistics Canada figures on a per capita consumption of alcohol in Yukon are exaggerated due to the fact that Yukon has a high influx of tourists during summer?

Hon. Mr. Pearson: Interestingly enough, the same day that the local newspaper printed that editorial with respect to my flippant attitude towards alcoholics and alcoholism in the territory, I received some statistics from the Liquor Corporation that I think will be of interest to the House. If we wish to compare our alcohol consumption statistics with those of other jurisdictions, there are some things which should be taken into account. It is true, statistically, that Yukon's per capita consumption of alcohol for persons 15 years of age and over stands at 230.8 litres per year, compared with the next highest jurisdiction in Canada which is 139.7 litres per person per year. However, it should also be noted that last year in Yukon 800,000 litres of alcohol were sold while an estimated 350,000 tourists visited here. If every Yukon tourist purchased one litre of alcohol during their stay in Yukon — I notice the member from Faro is writing this down, so I want to make sure he gets all of these numbers — this amounts to three bottles of beer or one bottle of wine; it would reduce our liquor sales from 800,000 litres to 450,000 litres in a year.

¹⁰ That, we would reckon, would be just about one-half.

If this scenario, which I feel is legitimate — a legitimate one for the purposes of comparison — were taken one step further, it would, in turn, reduce our per capita consumption to 140 litres per person per year, based on a resident population of 23,000 people.

Furthermore, I think it is interesting to note that when comparing Yukon liquor sales between the winter and the summer, our summer sales are an average of 58 per cent higher. In reaching this figure, we took the monthly average sales for three winter months and compared them with the average monthly sales for three peak tourist months in the summer. So, you see, I do not feel that my claims are exaggerated in this regard and, certainly, do not reflect a flippant theory as some hon. members of the fourth estate have suggested.

This government recognizes that there are alcohol-related problems which exist in Yukon and we do take steps towards hopefully correcting those problems and in offering assistance to people in need.

Mr. Falle: The same editorial charged that the Yukon government is not concerned with alcohol problems in Yukon. I would like to ask the Minister of Health and Human Resources just what the government is doing to combat Yukon's problem with alcohol.

Mr. Speaker: Perhaps the ministers could be as brief in their replies as the questions.

Hon. Mr. Philipsen: Certainly, Mr. Speaker.

I would like to state that this government is deeply committed to working on the alcohol and drug abuse problems in Yukon.

I believe that a few items should be pointed out. Alcohol and Drug Services has a budget of \$167,000 for their programs, which include: education, prevention, rural community programs, and out-patient treatment. The Detox Centre operates on a budget of \$298,000; the government's contribution towards the operation of Crossroads totals \$368,000 for the 1983-84 fiscal budget; \$20,000 was budgeted for community alcohol grants to deal with problems which are specific to individual communities. This works out to approximately \$853,000, which this government is applying directly towards alcohol-related problems in Yukon.

Under the Medical Services Branch, a fetal alcohol study is being conducted and health and human resources and education are both involved in this study.

I would, therefore, submit that it is both short-sighted and unfair to say that this government does not care about alcohol-related problems in Yukon.

Question re: Pre-authorized tax payment plan

Mr. Penikett: It is unusual to have two ministerial statements in the middle of question period, but anyway —

The government leader is objecting. I remind him that on April 26th of this year, he said, "Statistics can be made to prove anything".

I have a question to the Minister of Municipal Affairs. At its recent general meeting, the Association of Yukon Communities adopted a resolution on pre-authorized tax payments which would enable taxpayers to enter into agreement with a municipality to make equal monthly payments. Has the minister considered the advisability of changes to our laws to allow the implementation of such a pre-authorized tax payment plan on a January to December basis?

Hon. Mr. Lang: I just want to correct one thing prior to answering the specific question. I would like to notify the leader of the official opposition that all legislators have the opportunity of raising questions during question period, not just that side of the House. If the member opposite reads his rules, he will find that that is correct.

I should ask, with respect to the question that was asked, that perhaps the member wants to rephrase his question then?

Mr. Penikett: If the minister was not so busy preparing his speeches during Question Period, perhaps he would listen to the question.

AYC also retained a resolution on the homeowners' grant deductions which requested that the homeowners' grant be amended to permit individual municipalities to deduct the grant at source and invoice the Government of Yukon for reimbursement. Since this would eliminate many unnecessary costs and provide the taxpayer with immediate benefits, will the minister be introducing changes to the legislation as requested by AYC?

Hon. Mr. Lang: With respect to the homeowner grant, that is an area that really comes under the responsibility of the department of finance and it is one that is under serious consideration at the present time.

Mr. Penikett: I look forward to hearing from the minister of finance about that some time.

AYC also passed a motion on LID trustee stipends, which I am sure the minister has studied. Could the minister indicate to the House what his intentions are in that regard and whether he has reported any response back to AYC on that subject?

Hon. Mr. Lang: That also is under consideration and once a decision has been made with respect to the stipends for the members of the serving LID boards and has been considered by the government, the AYC will be notified directly.

Question re: White Pass railroad

Mr. Byblow: For the benefit of the minister of economic development, no-one objects to questions being raised in the House by anyone as a lengthy, prepared

Mr. Speaker: Order please. If the hon. member is making a speech, that will not be permitted in Question Period and I would suggest all hon. members make their questions as briefly stated as possible and all ministers answering questions be as brief as possible.

Mr. Byblow: With respect, I may have been bordering on a speech.

I have a question for the government leader on the subject of the White Pass railroad. The government leader will recall that it has made a \$1,000,000 interest-free loan to the railroad, the purpose of which was to acquire and upgrade capital stock — in other words, the purchase of rolling stock. Has this government taken any steps or does it feel obligated to take any steps to ensure that the money loaned was used by the railroad for the specified purpose?

Hon. Mr. Pearson: Yes.

Mr. Byblow: Can the government leader advise whether in fact the money was used for the specified purpose?

Hon. Mr. Pearson: Yes.

Mr. Byblow: I will direct my final supplementary to the Minister of Education. In light of the railroad being shut down for over a year and in the likelihood of it continuing for at least that long, can the minister advise why school buses have to stop at railway crossings at this time?

Hon. Mrs. Firth: That is the law.

Question re: Alcoholism policies

Mr. Kimmerly: As the government leader is beginning to take the problem of alcohol abuse seriously, I have this question. Is there any coordination between the government policies outlined by the minister to combat alcohol abuse and the policies concerning availability of alcohol?

Hon. Mr. Pearson: I would very much like to answer the question in one word, but I am not sure what the question is so I cannot possibly answer it.

Mr. Kimmerly: I asked the responsible minister yesterday about statistics concerning caseloads in various social welfare areas, and the minister has answered about the specific alcohol abuse programs administered by this government.

Is the alcohol abuse program, which involves an expenditure of \$853,000, coordinated in any way with the government policies communicated to the Liquor Board concerning liquor licensing?

Hon. Mr. Pearson: If the member for Whitehorse South Centre is asking me whether we are advocating prohibition, no.

Mr. Kimmerly: Neither am I. Has the government leader also analyzed the statistics available to the Liquor Board concerning the different rates of consumption in the different communities in Yukon?

Hon. Mr. Pearson: The Liquor Commission does, in fact, keep statistics with respect to consumption in various communities. I do not have them available at the present time.

Question re: Research on battered women

Mrs. Joe: I have a question for the Minister of Health and Human Resources with regard to a question I asked last week. The government has announced a grant of \$10,000 to do research on battered women. Could the minister now tell this House who will be receiving that grant?

Hon. Mr. Philipson: The grant will be going to the Women's Bureau.

Mrs. Joe: Since much research on battered women has been done by the Yukon Status of Women Council, could the minister tell this House why the government is duplicating something that has already been done?

Hon. Mr. Philipson: I am not aware that it has already been done.

Mrs. Joe: Could the minister tell us when we can expect a report on this project?

Hon. Mr. Philipson: When it is complete.

Question re: Judas Creek road

Mr. Falle: I have a question for the Minister of Highways. In Judas Creek, which happens to be in my area, there is a problem that there is not enough gravel on the road and, at this time of the year, when the frost is coming out it becomes quite dangerous to drive on...

Mr. Speaker: Is the hon. member now making a speech?

Mr. Falle: I am not. I would like the minister to look into that, please, for me.

Question re: Whitehorse Ski Chalet

Mr. Penikett: A question for the minister responsible for recreation. I understand that negotiations between the cross country ski club and the Government of Yukon, concerning the Whitehorse Ski Chalet, have reached an impasse. Can the minister confirm, for the House, that she has offered to take over the building and lease it back to the club as part of a recovery arrangement?

Hon. Mrs. Firth: The offer was not that we take over the building; the offer was that we assume responsibility for the debts and that we offer to the ski club first option to use the bottom level

of the building for their ski club activities, as well as the ski trails for this season, in view of the fact that they had sold several memberships. They found that unacceptable because we could not give them a longer guarantee for the use of the ski trail.

Mr. Penikett: I thank the minister for her answer. I do understand that negotiations had broken down because, under the arrangement I mentioned, the government could not guarantee the future of the ski trails for more than one year.

Could the minister explain her position in this respect. Why is she not willing, or not able, to guarantee those trails, a valuable tourism, recreational resource, for a longer period than that?

Hon. Mrs. Firth: We were put in the position where we would be assuming a facility. If we were going to assume that facility on behalf of the taxpayers of Yukon we had to assume the total facility. If we had accepted on the terms that the ski club was offering, we would have had to take the building and certain areas around the building, but not the trail itself. I told them that we would do everything possible that we could to ensure that, in the event that we assumed the responsibility of the building, we would see that it was maintained for skiing purposes but that we could not give them a guarantee.

Mr. Penikett: I thank the minister, again, for his answer.

One private citizen has suggested to the minister that such a valuable asset as the ski trails might be enhanced and protected by incorporating them into a territorial park. Is the minister actively considering that possibility?

Hon. Mrs. Firth: No, we are not.

Question re: Federal Farm Credit Corporation

Mr. McDonald: I have a question for the minister responsible for the soil pedologist and agriculture, in general.

A number of farming people have expressed a concern to me that they are unable to get access to funds or loans from the Federal Farm Credit Corporation for the reason that they do not technically own the land they work. What efforts has the government made to encourage the federal government to review this policy and provide farm credit to Yukon farmers?

Hon. Mr. Lang: We are reviewing all the various federal programs that are available to other parts of Canada, as far as agriculture is concerned. Once we have come to the conclusion that some of them could be applicable to Yukon, we will do what we can to convince the Government of Canada they should be extended to Yukon, such as what we did with the *Livestock and Feed Assistance Act* which, at one time, was not available to the people of Yukon but which is available now.

Mr. McDonald: I take it that they are reviewing all things on an on-going basis.

Are there any negotiations with the federal government going on right now to get federal farm credit into Yukon for non-owners of agricultural land?

Hon. Mr. Lang: Not at the present time.

Mr. McDonald: My final supplementary question regards the territorial taxation policy on farming operations. Farmers and people interested in starting farming operations have expressed displeasure that their efforts to improve farm buildings have only been met with a threat of higher property taxes. What is the government's assessment policy regarding improvements to farming properties?

Hon. Mr. Lang: We have not made any major changes in this area, as of yet. Representation has been made to us but, at the present time, we have not made any changes.

At the present time, with the assessment that is levied and in view of the tax rate that is charged — the percentage — the amount of dollars that is being requested to fund the various government services is not all that great when you take into account that in most cases, if not all, the homeowner grant is available to those individuals, as well.

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

GOVERNMENT BILLS

Bill Number 22: Second Reading

Mr. Clerk: Second reading, Bill Number 22, standing in the name of the hon. Mr. Tracey.

Hon. Mr. Tracey: I move that Bill Number 22, an act entitled *Business Corporations Act*, be now read a second time.

Mr. Speaker: It has been moved by the hon. Minister of Renewable Resources that Bill Number 22 be now read a second time.

Hon. Mr. Tracey: The purpose of this act is to reform the law in Yukon relating to business corporations. The Yukon *Companies Act* was enacted in its present form in the early part of this century, modelled upon the BC *Companies Act* which, in turn, was modelled upon the English *Companies Act*, commencing with the act of 1861.

The Yukon *Companies Act* has been amended many times, but it has not been thoroughly reviewed. The result is that it has become a patchwork of old and somewhat newer ideas of draftsmanship. On the one hand, it contains section after section of provisions which relate to corporate entities which are seldom, if ever, used, for instance, joint stock companies, no personal liability or specially limited companies and companies limited by guarantee. On the other hand, provisions contained in modern companies legislation, in force in other provinces, which relate to current tax planning procedures, which are helpful to both large and small businesses, are non-existent. In a nutshell, the Yukon *Companies Act* is now outdated.

We think there is general agreement that the *Companies Act* needs to be thoroughly reviewed. The structure of the act needs rationalization and its drafting made simpler and more intelligible. The purpose of tabling this piece of legislation is to do just that. In addition, the *Business Corporation Act* embodies the basic developments and advancements made in corporate law in Canada, the United Kingdom and the United States.

This act will apply to all business corporations incorporated under the Yukon *Companies Act* and all of its predecessors, and to all new business corporations incorporated after its commencement. It will also make provision for the registration of business corporations incorporated in other jurisdictions.

Since one of the principle objectives of corporate law is business efficiency, we have considered the following when drafting the *Business Corporations Act*.

Clarity: business corporation law should be accessible and understandable to a reasonably literate person. Certainly, it should be accessible and understandable to lawyers and accountants who have not engaged in extensive specialization. This is important in Yukon where numbers and volumes of work do not allow for specialization, which takes place in professional fields in the jurisdictions of the southern latitudes.

Flexibility: company law should facilitate legitimate business activity, though that objective has to be balanced against the protection of creditors and shareholders.

Cost: the act has been designed to keep both paper filings at a minimum, to reduce costs to both government and corporations.

Uniformity: there will be a uniformity of legislation governing business corporations between Canada and Yukon and between Yukon and most of the provinces of significant commercial importance. In view of the importance of this subject, I will now address it further.

In 1975, the Government of Canada enacted the *Canada Business Corporations Act*. Its structure and major provisions have been basically adopted in Manitoba, Saskatchewan, Alberta and Ontario. It is currently being considered for adoption in Prince Edward Island, New Brunswick and Newfoundland. This means that there is now a compatible corporate law system stemming from the enactment of these business corporations acts which regulates federally incorporated business corporations in all jurisdictions, and which also regulates the business corporations in those provinces.

The advantages to Yukon of rationalizing its corporate law with the conventional wisdom prevailing in Canada are obvious.

The *Alberta Business Corporations Act* came into effect on June 2, 1981. Much of the research done in the preparation of this legislation was done by the Alberta Institute of Law Research and Reform. In the course of their drafting, they considered the business

corporations acts of all previously mentioned jurisdictions, the uniform commercial code, which had been prepared under the joint sponsorship of the National Conference of Commissioners of Uniform State Laws and the American Law Institute, and a discussion of policy proposals relating to the *Canada Business Corporations Act*, prepared at the time of its drafting, amongst other sources. We have taken into consideration the work that has been done, together with the kind offer of assistance to aid in the drafting of our act, which was extended by the Alberta Institute of Law Research and Reform and seen to by George Field, a member thereof, and have patterned our *Business Corporations Act* largely upon the Alberta model. We have followed the Alberta model except where changes have been required to suit the unique requirements of business in Yukon or to take into account differences between our existing companies legislation and the old *Alberta Companies Act*.

Most notably, we have deemed all existing Yukon companies to be governed by the Yukon *Business Corporations Act*, whereas in Alberta, companies incorporated under the old legislation were given three years to continue — or, to put it into layman's terms — to re-incorporate under the Alberta *Business Corporations Act*. This deemed continuance under our new act, we believe, will spare the businessman the expense to which companies in Alberta will be subjected when they are required to re-incorporate.

In addition, legal practitioners and accountants will be spared the headache of making unnecessary filings for virtually all of their companies at the same time. This will result in a smooth transition from the old *Companies Act* to the new *Business Corporations Act* over a number of years.

This is not to say that there will be one act governing new corporations and one act governing old companies. All companies and corporations, whether old or new, will be subject to the provisions of the new act. It is just that the filing of paper and the amendment of internal corporate structures which were forced upon businessmen under the *Canada Business Corporations Act* and the *Alberta Business Corporations Act* will not happen in our jurisdiction. We will be deeming continuance under the new act, as has been done in both Ontario and Manitoba.

I would like, at this point, to comment on the nomenclature used in this act as compared to the existing state of law. The Yukon *Business Corporations Act* follows the *Alberta Business Corporations Act*, the *Canada Business Corporations Act* and the legislation of other jurisdictions mentioned at the beginning of my speech, by using the word corporation to denote a corporate entity which is subject to the act. That will include all corporate bodies incorporated under it.

The act also uses the description "body corporate" to include a corporate entity wherever and however incorporated, including corporations. The distinction is artificial but it is a distinction of the kind that is necessary for the purposes of the act. We think it would be highly confusing if the Yukon *Business Corporations Act* were to use "company" instead of "corporation". We think that the departure from the existing Yukon *Companies Act* nomenclature is justified.

The *Business Corporations Act* will not govern (a) corporations incorporated by special acts of the legislature or incorporated under statutes regulating specific businesses such as the Yukon Housing Corporation or the Yukon Liquor Corporation or the various municipal corporations, except to the extent that other statutes incorporate some or all of the *Business Corporations Act* by reference; (b) corporations formed for a purpose other than profit. For the time being the *Societies Act* will continue to govern both Yukon societies and extra-territorial societies; (c) nor will it have under it co-operative associations. Co-ops formed in Yukon, and also co-ops formed in other jurisdictions, are presently governed by the *Cooperative Associations Act*. We propose that the status quo be maintained in this area for the present time.

In conclusion, I should like to thank the members of this House for their attention to this description of the Act. I hope my comments have shed some light on this very complex subject and that all members appreciate the benefits to the Yukon of the *Business Corporations Act* that is now before the House.

Mr. Kimmerly: It is indeed a very complex subject in detail, although the principles are fairly general and can be simply stated. The minister did a good job of stating them. This Act is essentially uncontroversial. The members on this side recognize the need to efficiently and clearly serve the business community with a modern, efficient regulation by means of the *Business Corporations Act*.

Indeed, the bill embodies modern principles well-established and we welcome this measure as a very substantial improvement over the current law.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Bill Number 19: Third Reading

Hon. Mrs. Firth: I move that Bill Number 19, *Access to Information Act*, be now read a third time.

Mr. Speaker: It has been moved by the hon. Minister of Education that Bill Number 19 be now read a third time.

Motion agreed to

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

Hon. Mrs. Firth: I move that Bill Number 19, *Access to Information Act*, do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the hon. Minister of Education that Bill Number 19 do now pass and that the title be as on the Order Paper.

Motion agreed to

Mr. Speaker: I will declare the motion has carried and that Bill Number 19 has passed this House.

May I have your further pleasure?

Hon. Mr. Lang: I would move that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

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

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I will call Committee to order.

After a brief recess, we will go to Bill Number 14, *Financial Administration Act*.

Recess

Mr. Chairman: I will call committee to order. We shall now go on with Bill Number 14, *Financial Administration Act*.

Bill No. 14: Financial Administration Act

Hon. Mr. Pearson: I do not know that I can say too much more, other than what was said in the second reading speech — and I doubt that the members on the other side want me to reiterate all of that.

I might refer members to the explanatory notes, as they are fairly short and quite comprehensive. I believe they cover the highlights of the bill.

Mr. Penikett: I have no problems understanding anything in this bill. The only questions I will want to pursue will be those that I identified in my second reading speech, and I say that by way of notice to the government leader.

Hon. Mr. Pearson: I would respectfully suggest, then, that we proceed with the clause-by-clause reading and, as these issues come up, we can get into them.

On Clause 2

Mr. Penikett: The only question I would have here is with the interpretation of the word "fund". It would be to anticipate one that I know my colleague for Faro is going to ask. To what use are sinking funds presently being used in this government?

Hon. Mr. Pearson: I do not know that we have any sinking funds now. I do recall one time when we did have a sinking fund

with respect to some equipment, but, at the present time, I do not think that we have any sinking funds at all.

¹⁴ *On Clause 2*

Mr. Byblow: On Clause 2(2) my question is, why do we have this particular period of time as the fiscal year? Why does it not coincide with a calendar year?

Hon. Mr. Pearson: Because it is prescribed in the *Yukon Act* and we cannot change that. This particular subsection simply reiterates once again for clarity what is in the *Yukon Act* and we cannot amend the *Yukon Act*.

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

On Clause 4

Mr. Byblow: On Clause 4(1), I will put my question. What is the relationship of the management board to the policy function of government, that is, in terms of the policies and practices of expenditure that government in its mandate has a right to get into?

Hon. Mr. Pearson: As we get into this part of the legislation it, in fact, delineates the mandate of a management board. I might say, as I said in my second reading speech, we are the only government in Canada that does not have a management or treasury board. It is an identifiable function. The reason that we have not had a management board or a treasury board in Yukon before was because the existing *Financial Administration Act* — the act we are amending or repealing, hopefully, with this piece of legislation — put all of the functions and powers and authorities and responsibilities of a management or treasury board into the hands of two identifiable people, the commissioner of Yukon and the territorial treasurer. One of the basic underlying functions of this new piece of legislation, is to take those powers and duties and responsibilities as they pertain to the *Financial Administration Act* away from a commissioner and the territorial treasurer and put them into the hands of the management board and the minister of finance. That is really what is happening.

The management board has responsibilities that are mandated in this act. Policy is set by Cabinet. Management board does not set policy.

¹⁵ **Mr. Penikett:** I believe political scientists might say that what Cabinet is doing, by virtue of the management board, is co-opting the commissioner and treasurer in a way that gives Cabinet effective financial control. That is what is happening.

Hon. Mr. Pearson: There is no doubt about it, this is a major constitutional step forward, it is a major step in our march towards self-government in the territory. No doubt about that at all.

Mr. Byblow: Is it fair to say that the management board has an administrative function but Cabinet still retains the policy function?

Hon. Mr. Pearson: Yes. For clarification, management board in this particular government consists of five people, officially. In fact, all of my Cabinet colleagues sit on the management board but the three official members of management board are, in fact, the three members of this Cabinet who are appointed to the financial advisory committee pursuant to the *Yukon Act*. The *Yukon Act* says that the commissioner shall appoint a financial advisory committee. It is mandatory that that financial advisory committee is appointed and, in fact, until the *Yukon Act* is amended what we have to do is adhere to the *Yukon Act* and appoint that advisory committee. Part of their functions are, in fact, to be the members of the management board. The additional two people from the bureaucracy who are on the management board are the deputy minister of finance and the public service commissioner. In addition, as each item is discussed in management board, the responsible deputy ministers for those particular departments sit in with the management board as part of the ongoing function.

Clause 4 agreed to

On Clause 5

Hon. Mr. Pearson: For the benefit of the member for Faro, section 5 is really the mandate of the management board.

Mr. Penikett: On clause 5(1)(d), I have a question about this. I am sure the government leader would agree it is a very important clause and he may want to make some comment about it before it goes whizzing by.

Hon. Mr. Pearson: I am not sure what the leader of the opposition is looking for with respect to a comment. I perceive management board to be a very important part of this government; I am very proud of the fact that we have been able to establish it. We frankly tried to do it a couple of years earlier and just could not seem to get the thing off the ground at that time. However, I am very pleased that it is going now, and probably because I perceive management board to be able to do the things that are primarily outlined in clause 5(1)(d), I believe it is very important that we have a function that evaluates programs with respect to economy, efficiency and effectiveness. I think we have a real responsibility to do that.

¹⁶ **Mr. Byblow:** With respect to subsection 5(1)(e), the wording of that implies that there is some distinct responsibility for management board to have influence over the Public Service Commissioner. Is that a wrong interpretation?

Hon. Mr. Pearson: Yes, it is the wrong interpretation and it is the very reason that the Public Service Commissioner is a member of the management board. There is no doubt about where his responsibilities lie with respect to the *Public Service Commission Act* and this piece of legislation, no doubt at all.

Mr. Byblow: If I could go back to Clause 5(2), it seems to me I recall in the past that the Estimates had to be presented to the legislature by a certain time. Should not a date be specified here?

Hon. Mr. Pearson: No, and that will become clear as we get into the act.

Clause 5 agreed to

On Clause 6

Mr. Penikett: I just have one question on Clause 6(2) and the wording there. In the explanatory note on the first page it talks about the minister of finance and, in the previous sections here, the management board, referred to the Executive Council in the plural. This section refers to "the" Executive Council member. Perhaps I am wrong, but I cannot recall where "the" member is specified earlier on.

Hon. Mr. Pearson: Yes, it is one of the idiosyncracies of this period that we are in. As members are aware, we are operating under, really, two constitutions at the present time, or a constitution with an amendment that is not official yet.

The constitution, of course, is the *Yukon Act*; the amendment is what is warmly referred to on this side of the House as the "Epp Letter", of October 9, 1980. That letter says that we could establish an executive council and there should be executive council members. It says that these executive council members could be styled, and should be styled, as ministers. Then, further on in the letter, it said that we should not use the term "minister" in any official documents. Of course, I do not think there is a more official document that you could get in this territory than a piece of legislation.

So, we are saddled, if you will, with the conundrum of having to write the executive council and its members into our legislation and, instead of referring to them as ministers, we have to refer to them as executive council members. We have a number of pieces of legislation — there is no precedent here — where we refer to the executive council member and/or executive council as a body.

Mr. Penikett: I understood the constitutional point; I guess it was a question of grammar.

Clause 6(2) refers to "the" executive council member. The only concern was that it does not anywhere, previous to that bill, identify the executive council member as the Minister of Finance. It does not say "an" executive council member, it says "the". I just wonder, on a point of grammar, which one it is, because previously it talks about the executive council in the plural.

¹⁷ **Hon. Mr. Pearson:** Once again, this has come up. I guess probably it has not been raised before, but it is in a number of pieces of legislation. We are assured that what that means is — and we do not have to say it in the definition section — the executive council member who has responsibility for the administration of this piece of legislation. If, in any piece of legislation, it says "the executive council member", what is being referred to then is the executive council member who has the responsibility for that particular piece of legislation. In this case, of course, it goes

without saying it is the minister of finance.

Mr. Penikett: I do not want to prolong debate unnecessarily. I just do not understand why it does not say in this clause "an" executive council member, because the sentence would still make sense and the clause would still be clear.

Hon. Mr. Pearson: Then it would not be clear. "The" executive council member is very specific. It means the minister of finance and no-one else. It cannot be any other executive council member. It must be the minister of finance.

Clause 6 agreed to

On Clause 7

Clause 7 agreed to

On Clause 8

Clause 8 agreed to

On Clause 9

Mr. Penikett: In subsection 9(4)(f), the (f) refers to the Auditor General's report in addition to the functions described in (e), and clause (f) says "such other information as may be necessary to show the financial position of the government relating to the fiscal year." My guess is that the Auditor General's mandate could also be logically extended to encompass the mandate envisioned in 5(1)(d). If the management board is evaluating the government programs in terms of economy, efficiency and effectiveness, it seems to me that logically one of the functions of government that would inevitably be audited is the government's capacity to, in fact, carry out that mandate in 5(1)(d).

I am curious about the government leader's understanding of this because the Auditor General, of course, with respect to the federal government, already has a very clear and specific comprehensive audit mandate and in fact, as I understand it, the mandate is framed in exactly the words used in 5(1)(d).

Hon. Mr. Pearson: Once again, we are faced with this anomaly or the conundrum. I want to correct the record while I have it fresh in mind. I believe I stated in answer to another question that the Epp letter was in 1980; it was not, it was October, 1979. Time seems to be going by faster and faster for me, all the time.

Clause 9(4)(f) does not apply to the Auditor General's report, but rather it applies to the public accounts of the territory. The Auditor General gets his mandate not from this piece of legislation but from the *Yukon Act*. As long as the Auditor General's mandate is outlined in the *Yukon Act*, we cannot add to it or do anything with it in this act.

Mr. Penikett: It is clear to me that the terms described for the public accounts are basically those in the *Yukon Act* already, with some expansion of the terms. My question about the Auditor General's role was quite deliberate because I understand what it says in the *Yukon Act*: that he also has a mandate from the federal parliament in terms of this act.

Let me ask the government leader the question this way. Since the government is giving the management board a mandate to evaluate government programs as to economy, efficiency and effectiveness, would it be his understanding that the Auditor General would obviously audit that activity of the government as well?

Hon. Mr. Pearson: The Auditor General may but I think that would be a decision of the Auditor General. What I can say, though, is we expect our internal auditor to do that because in fact that is what he is mandated to do.

Clause 9 agreed to

On Clause 10

Mr. Byblow: On Clause 10(1), just a simple question. Is that from within or without the government?

Hon. Mr. Pearson: This is from within the government.

Hon. Mr. Pearson: I should clarify a little bit the question asked by the member for Faro. In reflecting upon it, it could be either.

Mr. Byblow: The function currently is within, though.

Hon. Mr. Pearson: Yes, and why I answered so quickly is that, at the present time, the function is one from within. I do not perceive any change in that, at the present time, but the legislation is written in such a way that it could be an appointment from

outside of the Public Service, as well.

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

Clause 14 agreed to

On Clause 15

Mr. Byblow: I recognize the general meaning of the words "unrealizable" and "uncollectable", in Clause 15(1)(b), but I would imagine that that pertains to cases relating to monies that are owing to government because a person may have left the territory or because, for some perhaps destitute reasons, that money is not every recoverable to the government, so they do the just and proper thing and write it off.

By way of clarification, my question would be: what guidelines would the management board have to write something off; and, the second part, could the government leader clarify whether this applies at all to something like property taxes?

Hon. Mr. Pearson: Yes, I could start out by saying it does not apply to taxes or property. You cannot write those off. There is a procedure under the *Taxation Act* for that to be done. At the present time, the treasurer has the authority to write off uncollectables to a maximum of \$1,000 and then, over \$1,000, it is the responsibility of the commissioner. What we are doing is putting that responsibility into the management board. There is no limit to it. It has to be reported, by the way, to the legislature, as well. We, in fact, do that; it is reported in the public accounts to the legislature.

Clause 15 agreed to

On Clause 16

Clause 16 agreed to

On Clause 17

Mr. Byblow: I only raise this, perhaps, in relation to what is happening in section 17. I recall previous debates in the House about interest chargeable to government on their accounts from the opposite point of view. This is obviously not consistent with the absence of the ability to charge the government interest. Perhaps my question would be thus: is current policy consistent with 17?

Hon. Mr. Pearson: Yes, it is.

Clause 17 agreed to

On Clause 18

Clause 18 agreed to

On Clause 19

Clause 19 agreed to

On Clause 20

Mr. Penikett: With regard to Clause 20(1), I know that the use of special warrants is a subject of great debate, I suppose, everywhere where they are used but I do not want to get into that, at the moment.

I did want to pursue with the government leader the question I raised in second reading about the gazetting of special warrants and seek his assurance that that will, at least, be the policy of this government.

Hon. Mr. Pearson: It is automatic and that is the reason it is not in the act, because a warrant is, in fact, an order-in-council and all orders-in-council must be gazetted; that is a requirement.

Mr. Byblow: With respect to Clause 20(5), just on the subject the leader of the opposition brought up; the gazetting of the information relating to the special warrant. It normally takes a period of upwards of a month or two for the process of the gazette to become a public document. Is there any other more expeditious way in which that information is going to be public?

Hon. Mr. Pearson: Short of the expenditure of the funds, I do not know of any and I do not know of any other way that it could be done, other than deviating from our practice now of the gazette.

I guess, if everything happened on the right day, it could take a month to six weeks but, under normal circumstances, it should not take that long. I would think that members would find that the gazetting of warrants would happen as expeditiously as they do for the regulations.

Clause 20 agreed to

On Clause 21

²¹ Clause 21 agreed to

On Clause 22

Mr. Penikett: On Clause 22(1)(b), when management board is transferring money between allotments, programs or projects within a vote, the legislature would not normally find out about that, I guess, until it was a supplementary. Does the government leader anticipate that, in the operation of the management board, there will be any other standard record of such transfers or decisions that might become public in the normal course of things?

Hon. Mr. Pearson: At the present time, this happens. The transfers between allotments happen and they become public knowledge, as the leader of the opposition says, with the tabling of supplementary estimates, but not before. I cannot think of a way to do that sooner.

Clause 22 agreed to

On Clause 23

Clause 23 agreed to

On Clause 24

Clause 24 agreed to

On Clause 25

Mr. Penikett: On Clause 25(1)(a), I would just like to get the government leader on record on this. It seems to me, as I understand it, this is somewhat of a departure, perhaps not from immediately existing practice, but from historic practice in the government. Really, this is the section that makes sure you have, in essence, two signatures so that one official cannot commit the government to an expenditure without someone else essentially countersigning that.

Hon. Mr. Pearson: That is correct. That is the main objective of this section.

Clause 25 agreed to

²³ On Clause 26

Clause 26 agreed to

On Clause 27

Mr. Penikett: I am not going to object to Clause 27(1), but I did take up with the treasurer something that I regarded as an unfortunate practice carried on by the federal government, which was with respect to some collections.

Some time ago, the federal government, to collect student loans, was employing a collection agency which was also being investigated for some fairly threatening physical behaviour against some of its intended clients. The problem that I had in the case that I dealt with was that cheques made out to the Receiver General of Canada were being deposited and cashed by this entity. In other words, I guess there was some kind of authority or assignment being made to this company. I understand from the treasurer that no such practice exists here, but I would certainly hope that it never did, either.

Hon. Mr. Pearson: I do not think it can happen here, no.

Mr. Penikett: I did not think it would happen in Coquitlam, either.

Clause 27 agreed to

On Clause 28

Clause 28 agreed to

On Clause 29

Mr. Penikett: These next couple of clauses are very important and I certainly hope that every senior public servant has them committed to memory in very short order.

Hon. Mr. Pearson: This is a requirement of the present act and, to my knowledge, it is in the Public Service now.

Mr. Penikett: We have had some problems with commitment control in this government, I think, that have been identified for the Public Accounts Committee.

Hon. Mr. Pearson: Records of commitments are a good means of control, but they certainly do not guarantee control.

Clause 29 agreed to

On Clause 30

Clause 30 agreed to

On Clause 31

²⁴ Clause 31 agreed to

On Clause 32

Clause 32 agreed to

On Clause 33

Clause 33 agreed to

On Clause 34

Clause 34 agreed to

On Clause 35

Clause 35 agreed to

On Clause 36

Clause 36 agreed to

On Clause 37

Clause 37 agreed to

On Clause 38

Clause 38 agreed to

On Clause 39

Clause 39 agreed to

On Clause 40

Mr. Penikett: I mentioned my concern about this clause during second reading. A couple of the subclauses here refer to provinces, which seems to provide a strong disincentive for the government to ever invest in any securities in the territory. That may be a policy matter that we have argued before, but I think it would be an unfortunate thing for the government to be unnecessarily hobbled or inhibited from investing in our own territory, especially where there were secure investments.

Hon. Mr. Pearson: There are a couple of things that come into play here. First, under the *Interpretation Act*, "province" means "territory" and we believe that it means Yukon Territory as well as the Northwest Territories. We may well be coming forward with an amendment at some future date to make sure that that is clear, because every once in a while there is a question about that. But we have a lot of legislation where "province" is the term that is used and we anticipate that it does mean the territory as well. Another thing, though, in the case of Yukon at the present time, about the only security investments that we could enter into would, in fact, be with the municipalities and, rather than invest, of course, with Yukon municipalities, we would be loaning them money. From that point, I do not think we have too much to worry about. The leader of the opposition's point with respect to province, though, is well taken and it should not be this act that is changed but, rather, the *Interpretation Act*.

²⁵ On Clause 40

Mr. Penikett: On Clause 40(6), I would appreciate a brief explanation of this clause. I think I know what it means but I would not mind having an explanation.

Hon. Mr. Pearson: It simply means that if we make money with respect to securities, the money that we make in the specific year will be credited to the accounts of the territorial government in that year. If we suffer losses in a specific year, the losses will be debited to our account for that specific year.

Mr. Penikett: On Clause 40(9)(c), I guess this section makes clear that except for the later section — I cannot remember the clause number which talks about misconduct — that any losses we suffer as a result of these investments shall be borne by the treasury, rather than the individual who made the investment, unless, of course, it was misconduct.

Clause 40 agreed to

On Clause 41

Clause 41 agreed to

On Clause 42

Mr. Penikett: On Clause 42(1), I want to stop here for a second and ask the government leader a couple of general questions. I make no illusion to the conventional practice, which appeared to surprise him, judging by his body language during the debate.

I want to, in fact, briefly lay out for him a kind of hypothetical case which would describe something that could happen in the territory but it could also happen, I suspect, in many other parts of the country, so it is not unique to here. Then I wanted to ask the government leader if, in fact, his reading of this section is that such a practice, if it were not performed, would now be very clearly illegal. Consider this hypothetical case.

There is a repair project going on with the Department of

Highways. A community club or some organization has some need of some material, say gravel for a building or a rec centre. They happen to say to the foreman of the crew or to the superintendent, how about dropping off a couple of loads while you are working on that road or while you are going by here. That happens, and nobody really says anything about it. Everybody in the community knows about it. Everybody may even, in fact, think it was a very appropriate use of that gravel. My reading of the situation, though, is that that is in fact, by this law, and perhaps by others, quite clearly a conversion of public property into private property and therefore demonstrably illegal.

Could the government leader give me his view, that is, unless of course it was approved by the management board.

²⁶ If, in the example I gave, somebody made a decision without that kind of authorization, it would clearly be illegal.

Hon. Mr. Pearson: Yes, that was the point I was going to make. Without authorization it would be illegal, but there is the capability of getting authorization.

Mr. Penikett: But it should be clear — and I am choosing my words carefully here for the record — that were such a case done, or if someone were to regard this as an advisable thing to do in any given case, that they should be absolutely clear that they have proper authorization from the management board, because it is only they who could make such a diversion.

Hon. Mr. Pearson: Yes. I might say, too, that this a new section. This particular section, Clause 42, is not in the present act, so it is new. But the leader of the opposition is correct, it would definitely be illegal, lacking that authorization.

Mr. Penikett: Just let me close the circle on the point. Someone who did this would likely be guilty of misconduct and, therefore, might be personally liable were someone ever to proceed against them. They could be personally liable.

Hon. Mr. Pearson: Yes, they could be.

Clause 42 agreed to

On Clause 43

Clause 43 agreed to

On Clause 44

Clause 44 agreed to

On Clause 45

Mr. Penikett: Before we finish Clause 45, I feel bound to ask the government leader a question. I understand, from a point of view of accountability, why we would want these specific numbers in the act and I do not want for a moment to suggest that I would rather see things in regulation. I am just curious as to whether the government leader did not consider putting these numbers in regulation, rather than right into the act, since I assume that we will have inflation with us for some time to come and that they could be stale-dated at some point.

Hon. Mr. Pearson: Yes, but it was our experience with revolving funds that were not in the act — where the limits were not in the act — I regret to report to the House that it was my feeling, as Minister of Finance — and I know, definitely, Mr. Fingland's feeling as the deputy minister of Finance — that this government literally had no control over those funds. We were operating these funds without statutory limits. We would set a statutory limit in a fiscal year by an appropriation and then that appropriation act, of course, would lapse at the end of that fiscal year. We would not bother resetting it, but we still have the revolving fund in place. Then we would add to it, a few years down the line, and then we would not bother with the limit any longer. Then we would add to it again. I feel very strongly that the proper place to be able to exercise the control is in this act.

²⁷ *Clause 45 agreed to*

On Clause 46

Clause 46 agreed to

On Clause 47

Clause 47 agreed to

On Clause 48

Clause 48 agreed to

On Clause 49

Clause 49 agreed to

On Clause 50

Clause 50 agreed to

On Clause 51

Clause 51 agreed to

On Clause 52

Clause 52 agreed to

On Clause 53

Clause 53 agreed to

On Clause 54

Clause 54 agreed to

On Clause 55

Clause 55 agreed to

On Clause 56

Clause 56 agreed to

On Clause 57

Clause 57 agreed to

On Clause 58

Clause 58 agreed to

On Clause 59

Clause 59 agreed to

On Clause 60

Clause 60 agreed to

²⁸ *On Clause 61*

Clause 61 agreed to

On Clause 62

Clause 62 agreed to

On Clause 63

Clause 63 agreed to

On Clause 64

Clause 64 agreed to

On Clause 65

Clause 65 agreed to

On Clause 66

Clause 66 agreed to

On Clause 67

Clause 67 agreed to

On Clause 68

Clause 68 agreed to

On Clause 69

Clause 69 agreed to

On Clause 70

Clause 70 agreed to

On Clause 71

Clause 71 agreed to

On Clause 72

Clause 72 agreed to

Mr. Chairman: I think we should have a recess — we are running out of words.

Recess

²⁹ *On Clause 73*

Clause 73 agreed to

On Clause 74

Mr. Penikett: I just want to confirm with the government leader that his understanding is the same as mine with respect to this section. I previously gave him a hypothetical case in connection with some gravel to a community organization. It is my understanding from reading this that knowledge of such a thing or such an event would obligate one to report it; otherwise, one would be, not an accessory, but in violation of this law itself. Is that correct?

Hon. Mr. Pearson: Yes, that is correct. I might say, too, this is right out of the old *Finance Act*.

Clause 74 agreed to

On Clause 75

Clause 75 agreed to

On Clause 76

Clause 76 agreed to

On Clause 77

Clause 77 agreed to

On Clause 78

Clause 78 agreed to

On Clause 79

Mr. Penikett: I just want to be clear about this. This means, in essence, that the baggage of regulations under the old act should continue to be in force until such time as the new regulations are proclaimed under this act?

Hon. Mr. Pearson: That is correct. For as long as they are needed, they will remain in force.

Clause 79 agreed to

On Clause 80

Clause 80 agreed to

On Clause 81

Clause 81 agreed to

On Clause 82

³⁰ *Clause 82 agreed to*

On Clause 83

Clause 83 agreed to

On Clause 84

Mr. Penikett: On Clause 84(1)(2)(a), I feel sure I know the answer to this question but I want to get the government leader's assurance that Clause 84(1) — and I guess this also applies to 85, etc. — does not give the Commissioner in Executive Council the power to actually make an appropriation without the authority of the House. He can establish his programs but not appropriate money without approval.

Hon. Mr. Pearson: What these two sections do is to allow or commit for the regulation-making power to be under the appropriate act instead of under the *Financial Administration Act*. That is all.

Clause 84 agreed to

On Clause 85

Clause 85 agreed to

On Clause 86

Mr. Penikett: On Clause 86(1)(2), I considered moving an amendment of this section, but I decided not to at this time.

Clause 86 agreed to

On Clause 87

Hon. Mr. Pearson: On Clause 87(3)(17)(1), there is a typo and I think we should make sure that it is recorded in *Hansard* with respect to this bill. At page 42, subsection 87(5) should, in fact, be subsection 87(4) and at page 43 it therefore follows that subsection 87(6) should be subsection 87(5).

³¹ *Clause 87 agreed to*

On Clause 88

Hon. Mr. Pearson: In my second reading speech, I said that this particular clause was not going to show in this bill and would, instead, be part of an amendment to the *Government Employee Housing Plan Act* and we would be showing the repeal of that particular section in this bill. After due consideration, and primarily because all of the other like amounts that were in this bill, reconsideration dictated to us that we should have it in this bill. I just wanted to point out to members opposite, in particular, that this is not in accordance with what I said at second reading.

Mr. Penikett: Could the government leader briefly explain some specific reason for the new allocation?

Hon. Mr. Pearson: Yes, we are running out of money in this plan and it is necessary to be able to spend more money in order to buy houses from employees that we are required to buy by law.

Clause 88 agreed to

On Clause 89

Clause 89 agreed to

On Clause 90

Clause 90 agreed to

On Clause 91

Clause 91 agreed to

Clause 91 agreed to

On Title

Title agreed to

Hon. Mr. Pearson: I move that you report Bill Number 14 without amendment.

Motion agreed to

Hon. Mr. Lang: It would be our intention to proceed, in view of the time, with at least the opening debate on the *Business Corporations Act*, Bill Number 22.

Mr. Penikett: On a point of order. I take it we have an

undertaking sworn in blood by the protagonists on both sides that this shall be a clause-by-clause reading of this bill and there should not be any other sort of shirking of their duties for a quick or expeditious or unnecessarily expeditious or unwarrantedly expeditious passage of this very important and very uniform measure?u9

Hon. Mr. Pearson: I would respectfully suggest that the two protagonists consider maybe a page-by-page consideration of this bill, given that it is as close as we could ever possibly get to uniform legislation.

Mr. Penikett: On the same point of order, perhaps you could examine, under a point of order under the rules, if it is possible to establish a sub-committee of the Committee of the Whole, perhaps a sub-committee of three, to consider such a measure.

³² **Mr. Kimmerly:** On the subject of Bill 22 I have one question and one question only, and that is about the consultative process that was followed in the preparation of the bill. My purpose in asking is, if certain groups, for example lawyers and doctors, were not consulted, I would represent that it remain on the Order Paper for a week or two weeks or so. But, if they were, and the minister can assure us that after the consultative process has occurred, there is a consensus among the various interested groups, I am frankly in favour of deeming the entire bill read clause-by-clause without actually a laborious time-consuming page-by-page reading to no purpose at all. I understand the bill; I do not need explanation. If other members wish an explanation, they are, of course, welcome to ask it.

Hon. Mr. Tracey: Well, there was a lot of consultation done. There has been a great deal of work. This act has been worked on for the last two years. There have been a great deal of consultation. I do not know what doctors and lawyers have been consulted — or whether any doctors have been consulted — but it is uniform law and I would not feel right about having the opposition put me in the position that, every time I introduced a bill into this House, I have to go out and consult. We consult when we feel it is beneficial to the public and to the government in order to get a bill that is satisfactory to everyone. However, this bill, as I stated earlier in the second reading speech, is mostly uniform law; it is in practice everywhere else; it is an update of our act and, as the members across the floor even admits, it probably is a good bill.

All I can say is, there has been a lot of consultation done and there has been an awful lot of work put into this bill, and a lot of it was done by Mr. O'Donoghue before he left here — it was one of his pet projects that he worked on for a long time — and, since then, Mr. Lackowicz in consumer and corporate affairs department. I had a fair amount that I was going to say about it but, if the members across the floor are willing to deem it pass, I will not bother saying this.

Mr. Kimmerly: I move that the bill be deemed to be read clause-by-clause.

Motion agreed to

Hon. Mr. Tracey: I move that you report Bill no. 22, *The Business Corporations Act* out of committee without amendment.

Mr. Chairman: Shall all the clauses of Bill 22, *The Business Corporations Act*, be unanimously deemed to have been read and carried?

Some members: Agreed.

Mr. Chairman: I will accept that as unanimously carried.

Motion agreed to

On Clause 1

Clause 1 agreed to

On title

Title agreed to

Hon. Mr. Tracey: I move that Bill No. 22, *The Business Corporations Act*, be moved out of committee without amendment.

Motion agreed to

³³ **Hon. Mr. Lang:** I would move that Mr. Speaker do now resume the chair.

Motion agreed to

Mr. Speaker resumes the Chair

Mr. Speaker: May we have a report from the Chairman of

Committees.

Mr. Brewster: The Committee of the Whole has considered Bill Number 14, *Financial Administration Act*, and directed me to report the same without amendment. Further, the Committee of the Whole has considered Bill Number 22, *The Business Corporations Act*, and directed me to report the same without amendment.

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

Some Members: Agreed.

Mr. Speaker: May I have your further pleasure?

Hon. Mrs. Firth: Mr. Speaker, I move 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 4:46 p.m.

