

VOTES AND PROCEEDINGS
of the
COUNCIL OF THE YUKON TERRITORY

Thursday, July 5th, 1962
10:00 O'clock A.M.

The second session of the Council for the year 1962, being the third session of the Nineteenth Wholly Elective Council of the Yukon Territory, was convened in the Council Chambers at 10:00 o'clock A.M. on Thursday, July 5th, 1962, the Members having previously been sworn and taken the Oath of Allegiance.

The members present were:

Mr. John Livesey, - Carmacks-Kluane
Mr. George O. Shaw, Dawson
Mr. Raphael L. McKamey, Mayo
Mr. Hubert E. Boyd, Whitehorse East
Mr. John Watt, Whitehorse West
Mr. Donald Taylor, Watson Lake
Mr. Kenneth McKinnon, Whitehorse North

The Speaker was ushered into the Council Chambers by the Sergeant-at-Arms.

The Commissioner was ushered into the Council Chambers by the Sergeant-at-Arms and gave his address as follows:-

"Mr. Speaker and Members of Council. First I would like to apologize for bringing you all from your respective jobs in the Territory. I know it is a busy time of year, but we found with the festival now under way, conditions have come about which require the opinion of all people concerned in this Council to decide as to the route we wish to take from now on. The problem that faces the Council is the allocation of funds for the continuation and operation of the festival. I hope we can clean this up today, if possible, so that you will all be able to return for the harvest of tourism. I would ask if I may have permission, Gentlemen, to join you."

Mr. Speaker replied to the address of the Commissioner as follows:-

"Mr. Commissioner, I would like to thank you for your address and promise to give urgent attention to the message you have brought to us."

Mr. Speaker: This is a special Session for matters of emergency brought to our attention by Commissioner Cameron and I would suggest we proceed with daily routine up to and including introduction of Bills and at that time, if you so desire, you may make preparation for dispensing with the usual procedure which requires twenty-four hours notice and we arrive at motions to go into Committee. We may proceed and if you desire to eliminate orders of the day, at this time, I will appoint a Chairman of Committees.

Moved by Mr. McKamey, seconded by Mr. Shaw, that all bills be moved through the necessary procedure today, in order to proceed with the business required.

Motion Carried.

Mr. McKamey, seconded by Mr. Taylor, requested leave to introduce "An Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory", (Bill No. 1)

Motion Carried

Mr. Speaker: Gentlemen, as this is a special Session, you may decide before we go into Committee, or you may decide now, how you wish to proceed with this Bill to give it first and second reading and then go into Committee.

Mr. McKamey moved, seconded by Mr. Boyd, that Bill No. 1, "An Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory", be given first reading.

First and Second Reading Bill #1.

Motion Carried.

Mr. Taylor moved, seconded by Mr. Shaw, that Bill No. 1, "An Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory", be given second reading.

Motion Carried.

Mr. Shaw moved, seconded by Mr. Boyd, that in view of the time element Mr. Speaker leave the Chair for the purpose of convening into Committee of the Whole to discuss Bill No. 1.

Motion Carried.

Mr. Livesey, as Speaker, appointed Mr. McKinnon as Chairman of Committees.

Discussion of Bill No. 1.

In Committee of the Whole:

The Chairman called Committee to order with Commissioner Cameron in attendance.

Mr. McKinnon: I believe we have just one Bill in front of us and we can go through it for the first time now. (Bill No. 1 was read in Committee.)

Mr. Livesey: Mr. Chairman, this is a rather unusual situation whereby we have been called to a special emergency Session to come to Whitehorse to appropriate money to a project on a sort of last minute basis and we have, as witnesses before Committee, those people who are responsible for us being here in Whitehorse on this request which is now before the Committee.

Mr. Shaw: I would request that Mr. N.G. Riezebos, who is the Auditor for this Festival, and Mr. Roy Minter, who is a Director of the Dawson Festival, be invited to attend Committee.

Mr. Watt: I would like to ask Mr. Riezebos to give us a rundown on why this is necessary.

Mr. Riezebos: I would as soon have Mr. Minter give you the rundown on this as he is in a better position to do so.

Mr. McKamey: I would ask Mr. Minter to give us this information.

Mr. Minter: The Dawson Festival, I hardly know where to start. I think everyone is aware of the Festival, its inception and how it got started and how Mr. Patterson came to Dawson to talk about the Festival and

how a Board of Directors was formed in Dawson City and how Mr. Patterson was eventually made consultant to the Board of Directors. Everyone is aware of the fact the Board received every encouragement from the Department of Northern Affairs and this was gratefully received and restoration of the Palace Grand and the Keno was started. This was all based on the conception that if successful it would be a beneficial thing and would give a great deal of strength to the development of the Tourist Industry. I became a director last November during the time Mr. Cotea and other officials arrived in the North to determine whether it was a sound proposition and I was informed that it was a sound proposition and Mr. Cotea laid down a proposition that if the accommodation was not improved, it would have to stop. The basic idea was to raise funds to conduct the festival and to get backers to put their money in the show. The financial campaign failed quite miserably and only \$48,000.00 including donations and grants etc. has been raised instead of the \$120,000.00. This was insufficient to carry on with. Also, I believe the financier who was going to put money into the show, as I understand it, got hit hard by the stock market and was unable to support the show. It was necessary for someone to make this fact known to the Department of Northern Affairs and this was done by Mr. Patterson back east. After further discussions the Government made a grant of \$50,000.00 to get the show launched. I knew nothing of this, but it was all done with good motive and good faith, to keep the festival alive. When Mr. Patterson arrived in Vancouver about a month ago, I contacted him and got the complete statement of what transpired. I then came north to Dawson City to inform the Board of Directors and started to find out what our financial position was and it is in a very shaky condition to say the least. From that we started working on possible income, possible sales and bookings and public response and we just came up with a balance sheet and it looks so frightening I thought I should advise someone in authority and phoned Commissioner Cameron and he decided to come up and discuss it in Dawson City. We proceeded to refine these figures and they are just about as refined as we are able to get them. In the meantime the Minister has been in to discuss the festival and operations and fight to keep the festival going. The festival was a tremendous success and has great possibilities on Broadway and is attracting a great deal of attention throughout North America. We are not able to see all these things, but they are happening. That is roughly the background. I have just hit the high spots, but can go into any detail. With regard to the operating budget I have made up, with the assistance of Mr. Riezebos, two separate statements on the operating budget. One we call the optimistic and one the realistic form. Steps are being taken now to assure these figures being reasonably accurate and it comes out to a deficit in the neighborhood of \$190,000.00. This figure can be cut down considerably by increased sales, increased donations, and cutting costs to the bone. We can reduce that considerably. The optimistic view which can be improved upon by a clever sales campaign and the cooperation of Dawson, can be reduced to \$153,000.00. With more luck it can be substantially reduced from that. I think that is as far as I should go at this point.

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Mr. Shaw: One question I would like to ask in general, these festivals throughout the country. Where do they, as a rule, receive their funds to carry on these festivals? That is, festivals such as they have in Stratford and Vancouver.

Mr. Minter: I could not answer for the other festivals. I don't know. It is usually assumed that festivals will lose money because their purpose is to contribute to the cultural and historical background of the country, and particularly Dawson, as it has not been advertised in the proper way. The Stratford Festival received a lot of public donations and I believe it received a grant of \$250,000.00 from the Federal Government. That grant has been fully justified, as Stratford is now the Shakespeare Centre of the world. Vancouver has received grants from the City of Vancouver, The Theatre Under The Stars has lost money and received grants from Vancouver, from the Provincial Government and from private donations. In

answer, it is quite a normal thing for a festival to lose money. It is quite a normal thing for the public to present itself in the best way possible. This can only be justified by the basis of the business it generates.

Mr. Boyd: This ninety to one hundred thousand dollar deficit that you mentioned, What period does that cover?

Mr. Minter: It is \$190,000.00, or \$153,000.00.

Mr. Boyd: How far into the year does this \$190,000.00 take you.

Mr. Minter: The 31st. of December.

Mr. Boyd: How far would this carry on after that.

Mr. Minter: I have enough trouble with the present, without worrying about the future, at the present time. I do not know.

Mr. Boyd: We must worry about the future in this thing. Are you going to come back and want another \$190,000.00 for next year?

Mr. Taylor: This raises a point. We are told this \$190,000.00 would carry us through till December, but is this not pretty well related to the stage production? Is not the stage production terminating in August?

Mr. Minter: There are some expenses which will go on in packing up and all the background bits and pieces. I have not had a chance to think about the future, but the present situation covers salaries, labour, telephone, equipment etc., and there will be some residual expenses going on to close it down. By the 15th of September you could effectively say the last of the festival is over. At that time, they would normally start working and worrying about the following year. We should be worrying about the future now.

Mr. Taylor: What would be the highest single expenditure and what would that figure be.

Mr. Minter: The investment in Foxy. I found that in the investment in the show, originally \$125,000.00 would be required. This was to put it on the road. As far as I have been able to determine, this was beautifully put by Mr. Hughes. It was an expression of rustic faith all the way through. The actors had worked together on other shows and the producers knowing these people, got together and talked about a show and they worked to the point where the book was written and came to Mr. Patterson to get money to put it on the road. At this point Mr. Patterson explained the plight of Foxy to the Department of Northern Affairs and that amount has increased and runs now somewhere in the neighborhood of \$136,000.00. This pays everything from the beginning to first curtain time. The cost of putting together, transporting and opening it up. After that it is going to require between sixteen and seventeen thousand dollars a week to keep it operating and based on that estimate the total cost of Foxy will be somewhere in the neighborhood of \$268,500.00.

Mr. Taylor: Out of this \$190,000.00 proposed deficit. Of that, what portion would be related to the Foxy show?

Mr. Minter: We have grouped these things together. At this point the show cost \$268,000.00 in both columns. In the realistic column it is \$46,000.00 and in the optimistic column it is \$70,000.00. Loss of \$222,000.00 and loss of \$198,000.00.

Mr. Watt: What is Mr. Minter's opinion. If we support this we are supporting a Broadway play which we intend to see go to Broadway. The

only figure I know of is the figure in the Sun. It would cost \$350,000.00 and this means it would need that much money to take it to Broadway.

Mr. Minter: This show plays in Dawson City and the last show in Dawson City is the end of the show and all the scenery is broken up according to Union rules and then Mr. Gilkey and Mr. Whitehead will start putting the show into production on Broadway and it might run in the neighborhood of \$350,000.00. At that point new investors will come in, particularly with the success it is now. It looks like a possible hit although nobody can be sure whether it will click. It is brand new and any money which is put into this show. I am here to explain a situation. I am not here appealing for funds. I know, as a result of the money which has been placed in this show, at times unknown to the Board, it has given the Dawson Festival Foundation certain rights. I will explain. The rights of a show are, say 100 units, 50 of these units are owned by the producers, Mr. Gilkey and Mr. Whitehead. They in turn break their units down. Some to writers, some to musicians and others. The other 50 units are owned by the people who invest in the show. There are two kinds of rights, investors' rights and producers' rights. We, in a sense are the investors and we have a right to share in any profits. As a result of the money which has been put in, we have obtained certain producers' rights and the Dawson City Festival Foundation owns 10 of the 50 producers' units. If the show went to Broadway and was a hit, we could finance the next year and more without any trouble at all.

Mr. Boyd: You are saying you have 10 units of the producers' rights. The producers' rights are 50% and you have 10% of 50%. You did not say how much of the investors' units you have.

Mr. Miner: We have 100% investors rights in Dawson City. If it should go to Broadway, as a result of investing in the original show, we have the right of investing a like amount of the investment in the Broadway show.

Mr. Boyd: The producers right continues no matter where, but the investors' stops here unless we put money into the Broadway show.

Mr. Minter: The producers' rights of 10 fiftieths covers not only the revenue of the Broadway show, but all television, record and movie rights. It also covers that.

Mr. Boyd: The Festival Foundation is a private owned organization.

Mr. Minter: The Dawson City Festival Foundation is not owned, it is a foundation under the Societies Act.

Mr. Boyd: How are people going to get their money back. They are investing money. I cannot see how you can invest money unless it is for gain.

Mr. Minter: Under the Dawson City Festival Foundation by-laws, it has in its terms what can be done with its money and this has been approved to collect money by way of donations or gifts. According to these by-laws, as I interpret them, it would seem that the Foundation can do almost anything.

Mr. Shaw: I would like to clarify Mr. Minter's position here this morning. Mr. Minter is, like myself, a director of the Festival Foundation. The directors and President and the people in the Foundation who do the work, the executive. They are nonpaid. Mr. Minter was kindly loaned by the Whitepass and Yukon route to come to Dawson and assist us with the planning of the Festival. If you have never had any dealings with a thing like this, I can assure you it is a tremendous undertaking. You can never get a true picture of what is going on. When Mr. Minter came up, he made it his duty to go into all the financial transactions. He came at a time when the crisis was fast approaching. If we go back a little

further into this story dealing with a festival such as this, there are many things which are done purely on faith. You cannot write it down in a book. It is predicated on producing a certain bill of fare and that to be paid for by the donations. The donation department did not do very well. I am amazed to hear it has reached \$45,000. Also we were informed by the Canadian Theatrical Exchange that it was their policy to appoint someone to finance this show and they would pay a percentage of the gate to the theatrical group. I think it was 65 or 85% and the Festival Foundation received a smaller amount for operating details. That was the impression I had of how this was going to run. Apparently these angels (I think that is the term), there was a little bit of a stock market uproar and they decided they could not invest in the festival and it had been going on. We were not aware of this and while Mr. Minter was delving into the financial aspects of the matter, just when he was trying to work this out, a message came from Toronto, or someplace, that they needed the money. The boat was leaving in the morning with the whole cast and if they did not have the money they would not come up. Mr. Minter proceeded to go further into the possible revenue that could be accrued and the amount of the expenditures and came up with that figure. His part has been to assist in every manner possible. He is in exactly the same boat as I myself. We are faced with this particular crisis. In the meantime there have been many of these, but most of them have been solved.

Mr. Livesey: Everyone is trying to say nobody is responsible, but someone is responsible. You cannot spend \$250,000.00 without someone being responsible. Furthermore, before people spend money, they better find out where they are going to get the money first before they spend it. This is good business procedure and it seems to me that the Territorial Government is out for those who follow Alice in Wonderland or Aesop's Fables and is forced to cover their dreams. I am not panning the Dawson Festival. I think it is a good thing, but you are supposed to find the money before you spend it and if you were an ordinary citizen you could not do this. I do not think anyone can call on the Territorial Government to say we got ourselves in a spot, now you get us out of it. This is a sad situation. It seems to me that people over whom this Council has no control can get themselves into a spot and can come to the Territorial Government for these expenditures. If we had proposed a bill in this House that we run a festival in Dawson, then the Territorial Government would be fully responsible and we would have had say in what is going to be done, but the way it seems to me, I think these people have done these things out of the goodness of their heart. It is a fine idea, but the business ethics that are being used are deplorable and I am here to say so and I do not think \$50,000.00 should be spent on the basis that we have not got it, but we hope to get it. This is happening in other areas. We have other matters where people start up an organization, working for a good cause and it is too big for them and so they make it a Government Department. We must do some serious thinking about this. Here we are talking in hundreds of thousands of dollars and we have no control at all and if someone tomorrow gets himself involved in a fifty thousand dollar debt, why should we pay for it. As far as next year and the year after, I think they should know where they are going to get this money before they spend it.

Mr. Shaw: I agree with Mr. Livesey and I myself deplore these actions and no matter how much I deplore them, I think Mr. Minter has explained the facts and I know that this amount that we are discussing right now is a factual amount. We have it before us. As far as having any recurrence of such a thing, I can assure you I would be absolutely no party whatever. I really think everything has been done in good faith but it has been done away up in orbit and now we are coming down to earth. We are in a most unfortunate position and the whole thing will just go "poof" when it re-enters the atmosphere. It is a matter of keeping it up where it is, as discussed by Mr. Minter and there is a possibility that this particular thing would more than repay itself. That, of course, is a possibility. As you know by the Bill, it is in the manner of a loan. Personally, I could not guarantee the loan. We can only hope it could be completely

repaid if it was given. There have been many complicated factors. There has not been the right kind of control over the whole thing. It does not get us any place. We must turn now and look to the future and see if we can do anything in that direction.

Mr. Livesey: I heard it mentioned that this was a rustic proposition, but this is a "Foxy" way of spending the tax payers' money.

Mr. Boyd: Is this a direct loan that these people are asking us for? Are we going to get anything to show for this money if they get it?

Commissioner Cameron: This money is to be used to guarantee repayment of loans received by the Foundation for this. The Foundation has borrowed money and the only way you can borrow money is to guarantee repayment of this money. In other words, we are signing a guarantee if Dawson borrows the money.

Mr. Shaw: If this show goes further, to Broadway and London, in this agreement will there be any protection of the interests of the Dawson Festival? Could they put that up as a security?

Mr. Hughes, Legal

Advisor: As part of the train of undertakings which is envisaged, the Foundation has initialed the draft agreement picking up certain rights which they did not have. The 10% was wrung out from the Canadian Exchange across the bargaining table. The Festival Foundation has executed an assignment to the Yukon Government to secure repayment of the money. If there is money available here it will be directed and the financial control will be rigidly in the hands of an appointee of our Treasurer. We have reserved the power to control all expenditures and to insure that money is received in the proper accounts. I have copies here of the agreement I have prepared and perhaps it would be good to distribute them, so that they can be looked over during the lunch recess.

Mr. McKamey moved, seconded by Mr. Livesey, that all agreements from the inception of the festival be tabled for perusal of Council in their sequence, so that the members can have a picture of how this thing came about.

Mr. Shaw: Is it possible to get all these agreements?

Mr. McKinnon: We had some mention of agreements this morning, but not that there were agreements available.

Commissioner Cameron: There are agreements available from the 17th of June. The others were in the East. We have agreements for money owing to the Territorial Government. We have an agreement with the Festival Foundation and the Theatre Exchange and the re-sale of the Palace Grand Theatre and the Steamer Keno to the Dawson City Festival Foundation.

Mr. McKamey: There are quite a few points here, as far as I am concerned, which are very cloudy. There must be some agreements between The Federal Government and the Foundation and the show and everyone else concerned and I do not see how we could step into something without knowing all the facts.

Mr. Livesey: Surely we are not going to turn over \$150,000.00 without getting something on paper.

Mr. Hughes: I have prepared copies of the agreements which have been negotiated and if you would look at these during the luncheon hour and suggest things which should be done to improve on these agreements, and I might say that it has been done. I cannot produce the lease agreement for the Palace Grand or the Keno because they are made between the Festival Foundation and Ottawa. I have a draft copy, but I have not got the actual agreements. They are in Ottawa. I had hoped to get them back. I have faithful copies. I am sorry I cannot produce the original.

Mr. Boyd: Are there any agreements in existence, such as loans from the bank? Are there any agreements in existence which would have first claim on any moneys that fall into the pot?

Commissioner Cameron: I am afraid I could not answer that.

Mr. Hughes: The Foundation has agreement with the bank to borrow money to meet the amount. There was only one way in which the Foundation could put up security. That was with reference to the Government. This reference was made. As a result the bank discussed with us how provision could be made to secure the money needed at that time. Undertaking was arranged with the bank to secure the money. At that time it was \$45,000.00. It was established that more money would be needed. You have an undertaking to the bank, but we rank in priority to the bank, if the foundation loan is charged to us. If the Foundation cannot pay and we pay the bank, we take over the security from the bank. What arrangements will have to be made in the future is something that has to be considered, but we have prior rights on the equities, in so far as the foundation has any equity at all for future production.

Mr. Boyd: The \$45,000.00 you mentioned is part of this figure. What did they do three or six months ago? Have any of their resources been piled up?

Mr. Hughes: I think Mr. Minter and Mr. Riezebos could answer that.

Mr. McKinnon: In lieu of tabling these agreements between us, could we digest these at noon and see if we need further agreements later?

Mr. Livesey: The intention of the motion is simply to get the available agreements, if any, before the Council, so that we can digest what is in existence, because if we do not get anything to go on, we are going to stand for all the rest of the money which is spent in the future. They have got themselves into debt and they have come to us and want this money to pay all the debts which have been incurred. They spent what they have not got. This is illegal. This is the situation. I think there should have been some far more proper business like approach toward spending money. As far as agreements are concerned, I would appreciate if we could obtain the agreements from the Legal Advisor, which are going to be connected to this amount of money. We are going to stand as guarantor and we should know exactly what this encompasses. This seems to have spread out to the extent that they cannot even handle it. We need more direction and more careful attention. We want to know what agreement we are going to take up with the Foundation and how far we are going to go. They may want double the amount next year. As to the amount of investment we have in there, 10%, that is a lot of eyewash. It does not mean a thing for the simple reason that the Festival Foundation, it has been guaranteed, that it is not a paying proposition, it is an expense and a big one. I would suggest that we get all the available agreements that we can and try to find out what is going to happen when we hand over this money and if we can get these agreements, we would appreciate it and if we have to work over noon, we will do it.

Motion Carried.

Mr. McKamey:

I would suggest if we had until two o'clock it would give us some time to peruse these agreements.

Mr. Taylor: Before we recess for lunch, and being cognizant with Councillor McKamey's remarks, I would ask that a balance sheet be prepared showing us how this money is to be spent. The organization of the proposed deficit and a rough financial picture of the organization. If this could be prepared and presented to Council this afternoon, it would make our deliberations somewhat easier.

Mr. Minter: This could be done.

Mr. Boyd: We are being asked for a loan of \$150,000.00 or more and at the same time the same people tell us they cannot make money. Do we want to loan money to a horse that cannot run the race? What agreements have been made six months ago? The Directors have had things going on which they know nothing about. If we cannot find out where we stand, what happened six or eight months ago, we are wasting our time sitting here.

Mr. McKamey: It is not the intention to receive any profit for any direct monies in the Dawson Festival. I think the results will be reflected by the Tourist Industry which is lacking in the Yukon and Canada as a whole. I am in full accord with doing anything we can do in the Yukon or Canada to increase tourism because this is a disgraceful situation when you read the facts and figures when you consider there are 18 million people in Canada spending money in the U.S. and there are 50 million people in the U.S. and they spend less in Canada. This is a problem right here in Canada today and it is up to us to do something about it. I am not saying we should go into this blind. This is the reason I requested the agreements tabled before us, to see if this money will be spent properly and it would seem to me that anyone who is putting up the money certainly has the right to have some say as to how the money is to be spent. This is what I hear at the Council Table about the Federal Government putting up the money and they control the purse strings. I think we should see that if this money is voted, it be properly expended. I think we should make every effort to encourage tourism. We will receive money indirectly through taxes etc.

Mr. Livesey: I do not think this is a question of pushing the tourist industry. This is our number two resource. In my mind this is ethics, not tourism. This is people spending money and coming to us to pay the bill. You do not spend it first and say come on, you pay the bill. We must make sure there will be no more of this. We should know where this money is going, if it is going for a good purpose, fine and dandy. I do not see how people can spend money of this size and then ask us to pay the bill.

Mr. Boyd: I would like to ask one question before we recess. The Federal Government has spent a fabulous sum. If this is so good for Canada, if I had half a million dollars of my money in the pot, I would see it through, what do they ask us to put it up for?

Mr. Taylor: It would appear that the Federal Government does not want to suffer the embarrassment of the situation and it is upon our shoulders.

Committee recessed at 12:00 o'clock noon.

Afternoon, 2:00 o'clock P.M.

Committee resumed discussions with Commissioner Cameron, Mr. Minter, and Mr. Riezebos in attendance, Bill No.1 an Ordinance for Granting to the Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory.

Mr. Boyd: First of all I would like to suggest to Council that we are being asked to grant certain sums of money for the Dawson Festival. If we are going to pass this money, we have no concern about figures. This is a gift, so I maintain that all these documents are not necessary, because you are not going to get it back. If you are going into all these figures then let us call this a loan. We are asked to grant the money and I would like to state on this business that this should be a gift.

Mr. Watt: I would like to ask Mr. Bill Dempsey, Mr. Dinsdale's assistant to come before this Committee, as I think it may help us.

Mr. McKinnon: Is Committee agreed to have Mr. Dempsey come before us?

All members agreed.

Mr. Dempsey was asked to come before Committee.

Mr. Watt: I would like to ask Mr. Dempsey to explain the Government's contribution outside the grant for the Keno and the Theatre. I notice \$55,000.00.

Mr. Dempsey: I am not sure of the \$55,000.00 figure. I believe it is \$50,000.00 and \$5,000.00 from the Territory.

Mr. Taylor: There is one item which Mr. Dempsey may be able to clear up for us. It says contributed directly by Mr. Dempsey \$86,475.00. and Government grant \$50,000.00. Just what is this \$86,475.00 grant?

Mr. Dempsey: I think you recognize from your discussion this morning, the Government is strictly in fiscal arrangements and not program, but as you have been told, the person backing the show received reverses and as a result, the Government was asked, and because this was of such significance to the North and all Canada, my services were made available to the Festival and there were times when certain amounts had to be paid on a certain day and in various ways, I have had to get certain funds to keep it going and during that time, I was assisting as much as I could. There was \$111,575.00 borrowed, gifts were raised of \$13,000.00. There were expenditures made directly to the show of \$86,475.00. and 5,000 went to the Festival itself. At the moment there are some \$35,100.00 in loans which have not been retired.

Mr. Watt: To further Mr. Taylor's question, could we take it there has been \$136,475.00 contributed through Mr. Dempsey from the Government?

Mr. Dempsey: To the show up to the point of running.

Mr. Watt: That does not include the \$45,000.00 which was contributed to get the show on the boat.

Mr. Riezebos: It does include that. This was a line of credit which was established and which was never drawn upon until Tuesday. This, in fact, has gone to reduce the liabilities which had previously been incurred. In other words, injecting capital into this.

Mr. Dempsey: On June 19th. certain monies had to be available to the show people, which I made available, with the knowledge it would be coming forth later. It arrived on Tuesday of this week.

Mr. Watt: I take it the \$45,000.00 is included in the \$136,000.00.

Mr. Livesey: I would like to direct a question to Mr. Dempsey. Why has this come before the Council rather than the Federal Government, considering Council has had no financial connection and has had no control of the financial conditions there, from a profit point of view, Government point of view, or any other point of view? I would like to publicly state my views on this. That is, of course, the whole mess they are in has nothing to do with the Territorial Council. It is our moral concern, but it is not our actual consideration. This has transpired, not because we have contributed to it, but because we have not contributed to it in any way shape or form, and if Mr. Dempsey can explain why this has come before us now.

Mr. Dempsey: I do not think that is my particular roll. No doubt the Commissioner has had conversations with counterparts in the Federal Government.

Mr. Taylor: I would certainly echo the opinion of Mr. Livesey. We have been thrown a red hot potatoe and I do not feel this is our responsibility.

We have a great deal of trouble over receiving funds for hospitals and such things and even our comments are not recognized in various Departments and we have quite a time providing the sums which are required and now we are asked to take \$150,000.00. of the Tax Payers' money. Under Schedule B we are told this is recoverable, but we have nothing to prove that this is recoverable. It seems to me the Federal Government has said to the Administration of the Yukon Territory that we will back you so that you can back them. Why does not the Federal Government officially back this up with \$150,000.00 direct, which is required and leave the Territory out of it. I cannot see why the people of the Territory should be burdened with this responsibility.

Mr. Shaw: There has been a slight fiasco all around. The fact remains that this money will be required to continue the Festival. I have heard discussions of calling this a grant or calling it a loan. We have difficulty in financing hospitals, schools, etc. That is quite correct. When we finance hospitals we do not expect to make a profit on that. When we finance education, we do not see a profit in dollars and cents. We see a profit in furthering academic qualifications of the people of the Yukon. This amount of money here, whether it comes from the Federal Government or whether it comes from the Territorial Government, is without doubt the people's money that we are spending. Now, in spending this money it is like spending any money. You balance what you are spending in line with profits you will receive. That is the way private business operates. They figure out the dollars and cents they will receive from this. The Government is in very much the same position in some respects. In this case this money we are asking to pass is to aid this Festival Foundation, but actually and behind the scenes of all this effort it is to aid the economy of the Yukon Territory by permitting tourist travel back and forth. There has been a tremendous amount of work and publicity, a lot of it free, and when you get down to the actual cost this Territory has received in advertising, we have got millions of dollars worth of advertising actually for peanuts, so that this expenditure is an investment in the Territory. It is an investment, not in the show, but an investment in tourist possibilities. As Councillor McKamey mentioned a while back, Canadians are spending far more money in the United States on travel than Americans are spending in Canada and one of the reasons is we have not been telling the people some of the vacational pleasures we have in various parts of Canada. This is a new concept in advertising the aspects of the Territory. There is no doubt, we have gone a bit overboard and we are, at present, left holding the bag and this is at present, a very heavy burden. I do not think that it is all on the debit side. If we do get this money, we have a tremendous effort in tourist promotion. We have to make the effort at some time and I cannot see what the results of this effort will be. It might build up to an extent that this is worth it for the results we may obtain. From my understanding every newspaper in Canada, except one, has highly commended this show, which indicates the possibility of this show going to a much larger population is favourable. This \$150,000.00 could then be turned into an investment which could come back many times. The Government of the Yukon is not an organization to invest the public's money in this kind of enterprise, but this is actually money to be spent to further the Tourist Industry of the Territory.

Mr. Watt: As I see it, the Federal Government has contributed \$586,000.00. If this Territorial Council were to refuse this loan of \$150,000.00, would the Department of Northern Affairs back that \$150,000.00, or would they let the whole thing drop?

Mr. Dempsey: I am not in a position to answer that.

Mr. McKamey: The only stumbling block is you have in Schedule B, "recoverable". I think if the Council had some assurance the amount would be recoverable, I do not see why there should be any hesitation. Councillor Shaw brought out some very good points. I agree that the Federal Government right today has invested large amounts of money in the construction of roads. We could use this as a parallel. You can

construct a road and if it is constructed in the right spot, it will be a self liquidating investment and I think this is another expenditure which could be a self liquidating investment. I think the Government will benefit. It might not be directly, but the Territorial Government will benefit greatly. On my trip up to Dawson, I passed three or four tankers hauling gasoline and we introduced a fuel tax Ordinance. The Territorial Government is certainly going to get a sales tax out of that for hospitals and schools. This is throughout the whole Yukon Territory and it will do nothing but assist. I think this is a normal investment and I think the possibilities are very good in it being a self liquidating effort. It is something we should certainly support here in Canada right now, as we are so far behind in tourism.

Mr. Shaw: The population in Dawson City as you know, is very small. A survey was conducted and the people themselves, in motels and equipment for tours etc., have invested over \$200,000.00. A group in Whitehorse has expended an amount which I believe is well over \$150,000.00 in a trailer court. I have lived in that area for over twenty five years and this is the first year where I have ever known it to be difficult to get a man to work. Everybody is working and this indicates that a Festival such as this creates work for the people of the Territory. That is just on the local scene. There are travellers coming up buying gasoline and food and rooms in the Territory. The only reason these people are circulating in the Territory is because there are groups promoting travels in the Territory.

Mr. Boyd: I would like to ask two questions. Have you any guarantee that this show will be on at this time next year and also, did you apply to Ottawa for this \$150,000.00? If so what is your answer?

Mr. Minter: My answer is no to both of these. I have no guarantee that this show will be on next year and I know of no application to Ottawa for the \$150,000.00.

Mr. Taylor: I wonder if any of the gentlemen present could advise me if, when the Festival Foundation required \$45,000.00, from that time forward, has the Festival Foundation approached the Federal Government for any portion of these funds?

Mr. Dempsey: When I arrived in Dawson on Friday night, I began to look around for money to keep this show going up to curtain time. I had no idea who had paid or what had been paid. I assumed that it might be somewhere around \$15,000.00 for transportation for the show. This was on Sunday morning. On Monday morning the first half of the cast came by boat and the other half came by airplane. I knew that as soon as the cast got on that boat somebody was going to be committed to \$45,000.00, so the only thing we could do was advise Mr. Cameron of the situation. The Commissioner was not available. I felt at this particular moment I was going to be the one to have to call the Festival off. I phoned back east and advised them of the situation and I had a conversation with Mr. Dinsdale to see if there was any money around. There was not any and I called the Board and it was decided that the show must go on, as the people of Dawson and Whitehorse had invested money. The Board of Directors instructed me to contact Mr. Cameron and enlighten him and as a result of that \$45,000.00. was made available.

Mr. Taylor: Has the Foundation, at any time since then, actually made application to the Federal Government or any Department for assistance?

Mr. Dempsey: No we have not. The Board of Directors has made no application for assistance. We can only advise the various Government Departments which are involved, so the Minister has been informed of this. We have made no direct application to him other than inform him in the strongest way what the situation was.

Mr. Taylor: Did the Minister indicate in Dawson City, any means by which

this could be made? Was he receptive to this expenditure, or was this discussed?

Mr. Dempsey: The Minister expressed himself in the strongest terms that he wished to see this go on. It was not discussed with him.

Mr. McKamey: The Minister and Department of Northern Affairs have expressed their interest in that they have invested half a million to date. The Directors where they have been involved with the Department of Northern Affairs have always received the utmost co-operation.

Mr. Livesey: That figure of half a million, it is approximately \$35.00. for every man, woman and child in the Territory. We pay more taxes to the Federal Government than to the Territorial Government, so whether the Federal Government foots the bill or the Territorial Government foots the bill is no criterion, for the simple reason it is tax money that pays and the fiasco is the worst type of fiasco, like the Whitehorse sewer and water. Someone fell down somewhere. I cannot imagine any group of individuals who would go into something like this without knowing what the costs are going to be. You must predicate the cost. This seems to be a bunch of people who got together and had their heads in the clouds, who were thinking nothing about the costs. Someone has got to pay and this is what we have here before us this afternoon and what I want to know, and I asked this same question this morning. Even if we agree to this \$150,000.00 which someone has either expended, or is going to expend, is this going to be the end, or do we have another request next year to double it? As far as I am concerned, there has just been no local control of the situation whatsoever, as far as the Territory is concerned, and certainly not as far as the Council is concerned. I want this to be understood. This is not tourism. Certainly we must push tourism every way we can. It has nothing to do with this. This is financial bungling, buying a Federal Building without anything in the bank. This is the situation.

Mr. Taylor: Mr. Chairman, we have proceeded now regardless of how this has occurred, we have proceeded to the point where we got this under way and there is a very good chance this will be a tremendous success. I do not think I, or any member at this table, would like to see this thing stopped at this stage of the game, but I feel this is not our responsibility. The Federal Government has again said we will back you so that you can back them. I feel that the Federal Government should directly back this venture and should be asked to back it by the Council. I do not want to see the Territorial tax payer hung up on this.

Mr. Shaw: I do not want to see the Territorial tax payer hung up either, but the Territorial tax payer will be the beneficiary and I would like to ask Mr. Chairman if Commissioner Cameron could give assurance that if we do get involved in this, that his Department would be available to insure that this expenditure would be the final amount and there could be no other commitments as far as the Territorial Government is concerned.

Commissioner Cameron: I would be very pleased to make any assurances such as you suggested. Possibly I could explain a little. I think you know how the Forty Five Thousand dollars came about. I was given authority under Section 16 of the Financial Administration Ordinance. As far as the additional funds are concerned, we are quite sure that this is the end of the requirement. However, I do feel and I know how you feel, it is possibly the wrong way to go about it. I believe the Federal Government should have said we would like you to allow for \$50,000 or so in the estimates. They did not feel this was necessary. Without this money, they did not have the slush funds to carry on with. On Mr. Boyd's view that we should make an outright grant, it is our intention that we should get back all of this money. If anyone would agree in regard to finding this money, to call in for consultation the Treasurer

Mr. MacKenzie, he perhaps has some suggestions as to how this could be raised. If you will look at this over 20 years, you cannot look at it from just this summer. After 20 years, I think every business in the country will benefit and if we can put a quarter or a half a million people through here in a year, this will be more than covered by the gas tax alone. I do not believe I can answer anything further. This price of \$150,000.00 in my position has to be the absolute limit, on my own \$45,000.00 under Section 16. The \$5,000.00 was picked out and given to the Festival by you people. I would like you to ask any questions of Mr. MacKenzie.

Mr. Livesey: I would like to ask that Mr. MacKenzie be invited to attend Committee.

Mr. McKinnon: Mr. MacKenzie, I believe Council would like some inside information on where this \$150,000.00 is going to come from.

Mr. MacKenzie: The Territorial finances are stretched to the limit. We would have a great deal of difficulty in finding the \$150,000.00. We would be forced to insist on the Government to refund this amount. Alternatively, we could raise the tax on liquor but that is extreme and I would doubt frankly if this \$150,000.00 is the end of it.

Mr. Taylor: Am I right in assuming our position is such that even if the Federal Government would pack this loan, we still would not have the money to loan anyway?

Mr. MacKenzie: We could back this cash for a short time.

Mr. McKamey: It seems to me we ratified an agreement with the Federal Government that there would be no tax on liquor or property within the next five years and we could only live up to the agreement, which we ratified and therefore, we are solely dependent on the Federal Government.

Mr. MacKenzie: The agreement has not yet been signed and I imagine it could be changed.

Mr. Livesey: They are just using us as a means of handing over the cheque and putting it in the letter box. Let the Territorial Government take the blame. We arranged for not one penny of that operation. This way the opposition of the Government has been raising cane for this and I refuse, as a Member of the Territorial Council to take any part of the blame. There is no doubt in my mind as to who is to blame for this mess. If we had been given the opportunity to advise, I brought this up at the Spring Session. One is the Health Agreement, and the other is the Financial Agreement. This is all down in Ottawa. They do not say anything to us about it. I said this in my reply to the Speech from the Throne. They are not asking us to give our advice. We are merely taking the position of footing the bill.

Commissioner Cameron: I was going to comment on the \$150,000.00. \$45,000.00 is in there. An additional \$75,000.00 is required immediately. The \$30,000.00 was so that there would be a floater. We hope that this will never become anything but a figure on this table. It is sitting as a buffer over and above what is required and that is how this \$150,000.00 is arrived at. There is a \$75,000.00 coverage in a letter from the Minister, but there is some question over the last paragraph.

Mr. Watt: If we do vote this \$150,000.00 it seems the way the Festival is going at the moment, full the first night and one third full the next, and two hundred people the next, is this \$150,000.00 going to save this investment, or is it just going to postpone the loss for a couple of days?

Commissioner Cameron: There is a concentrated drive to raise this \$150,000.00 and there is the possibility of raising \$50,000.00 or \$100,000.00 more of this money and this again might change the picture.

Mr. Livesey: Are they using the same bellringer?

Mr. Shaw: This amount of money that is being asked for at the present time

is sufficient money to conduct this show for seven weeks. According to the agreement as we have it here, the Festival Foundation can call off this show at any time they run out of money. In the event that the \$150,000.00 was spent it would terminate this particular part of the Festival. Now Councillor Watt asked if it would make any difference. If this money was not forthcoming from some place the whole Festival would just go up in a cloud of smoke. You would see the performers trouping through here. They must have the money in their hands every Friday in a certified cheque or cash. They do not go one hour if they do not receive it. Tomorrow is payday, and if they do not receive the money tomorrow, that is it. All this money which has been invested, \$850,000.00 would go up in a blaze of glory because the festival would be called off. You have the alternative of approving this amount or disapproving that amount with the hopes that some angel will come along and drop \$150,000.00. I agree there have been many mistakes and it is hard to pin down. I might have made some myself. So this whole investment hinges on receiving a portion of this Bill No. 1 tomorrow at some time. If it is not forthcoming the show will be over. Many things have happened in the past and we did not know how they arose, but I can assure you what would happen in the future.

Mr. Boyd: You used your own figure of \$850,000.00 to get this show on the road. This is supposed to be for a period of five years. What would be the layout to get this started next year? Would it be \$800,000.00 again?

Mr. Shaw: When this show closes that is the end of this show. The Festival Foundation retains an entity of 10 units in 50. If it is a success later on that will bring in money for records and T.V. etc., but as far as the physical show in Dawson, that is finished. If we wish to have a show next year, then we start from scratch again. This has nothing to do with this. When this show finishes, then it will be up to the Festival Foundation to endeavour to raise money by the donations from the people and a possible grant from the Federal or Territorial Government, but it is a start. However, there is one thing that might have a bright side to it, and it is that the people concerned have gained a tremendous amount of knowledge in the last two weeks.

Mr. Minter: On the \$800,000.00 amount mentioned by Mr. Boyd and our thinking has always been that the Federal Government has taken two historical sites and these are not direct investments in the Festival. That difference has been the cause of the financial campaign failing, because everyone stated that the Government put \$400,000.00 into the Festival and in addition they want another \$120,000.00, but this is for restoring historical sites, and in no way should be put with the Festival. This money was not going into the Festival coffers. This is the reason for the financial failure. In addition it also made those who had already given towards the Festival think they were asked to give again.

Mr. Livesey: I advocated a number of years ago and advocate again that under the National Historical Sites, we should make every effort to restore historical sites, and I certainly agree that these places certainly should be restored and brought up to their proper position whereby they will contribute something of benefit and welfare in the future, but we have to use these things within our means. We are going to have to get this show on the road every year. This is the problem. Instead of it being a success, it is going to have a black eye to start with. As for this Foxy situation, it might turn out to be a wonderful thing. It has not very much time to run. In seven weeks it will not have too much time to be established in the United States, and these are the people who come to the Yukon. As far as the 150,000.00 we are being asked to contribute now, there are some questions I would like to ask to the Territorial Treasurer. I have heard it said we are going to get this back again, but I also understand that nothing definite has been stated to this effect.

Mr. MacKenzie: I believe it is fairly definite about the \$75,000.00, and the \$45,000 is still doubtful, and the \$30,000.00 we have no assurance at all. The \$75,000.00 is covered by the Treasury Board minutes.

Mr. Watt: Am I right in assuming that we may have to raise taxes somewhere along the line to cover this?

Mr. MacKenzie: Actually I think it would be possible to increase these taxes which I mentioned. I seem to remember Mr. Carter saying if you want to spend any more money this year you will have to increase your taxes.

Mr. Shaw: Our budget this year was only \$10,000,000.00, and as stated by Mr. McKamey, the agreement has been made for the next five years and I do not think \$45,000.00 or \$30,000.00 is going to bankrupt the Territory. Yesterday there were 50 people in Dawson from Anchorage on the train and they are coming regularly three a week.

Mr. Livesey: My understanding is that we are now going to get an austerity program. If we get an austerity program what will happen with this. We have part of it on the books and part of it in the air. Are we just going to have to pay this and next year we may have to sock the people in the Territory?

Mr. Taylor: If the Federal Government were to accept this responsibility as I feel they should, and back this note, then they would most certainly have to fulfil their obligation, but if they turn it over to the Territorial Government to dispense and something should happen in Ottawa in the meantime, then we are out of luck and the Territorial Government is stuck. I have no idea why this agreement has never been signed. I believe we concluded it somewhere around the eighth of May, and to date it has got to be signed by Mr. Fleming and Commissioner Cameron, and I do not see why the Territorial tax payer should have to have this when it is a Federal Government responsibility.

Mr. MacKenzie: The Federal Government seems to cover the \$75,000.00. The \$45,000.00 would be from receipts from "Foxy", so that loan should be liquidated at the end of the seven week run. It is only the \$30,000.00 that is uncertain, plus anything else that we might have to lend to the Festival. As far as I can see, it will be another \$50,000.00.

Mr. Boyd: There must be someone here who knows whether the \$45,000.00 is covered, and we think the \$75,000.00 is covered. As far as I know, you can depend on nothing without a signature. Then we had better get someone's signature or we might get stuck.

Mr. Mc Kinnon: We have first pick on the sale of tickets which are sold by "Foxy" from now on, and we have heard from Mr. Minter that it will be at least \$46,000.00.

Mr. Minter: These are budgeted receipts gross. There is no expense involved in this at any point along the line. There is no charge against these receipts other than the charge for the Territorial Government.

Mr. Watt: I would like to ask Mr. Minter if he has any idea what the gate receipts would be today.

Mr. Minter: No, I am afraid we cannot give you any figure. It will be very minimum figuring in my head. I would say six or seven thousand dollars.

Mr. Shaw: I have a fact for consideration. In the City of Dawson at present we have an extra \$200,000.00 in property which we did not have a year ago. Whereas that property is bring negligible returns we can count on \$200,000.00 of assessable property when we pull that down to basic figures out of the \$150,000.00 we are asked to approve. There is \$45,000.00 expected to be repaid for the sale of tickets. I think this is a very conservative estimate, as it is based on 40% of the capacity of attendance. I do not think we should have too many qualms on the \$45,000.00 and I hope to see it exceed this amount. We next have \$75,000.00 which is practically guaranteed by the Federal Government. The doubtful amount is \$30,000.00. If this bill were refused that would mean closure of the whole Festival for a sum of \$30,000.00 that is doubtful of collection. That is what it means, the \$30,000.00 would close the Festival which the Government and the people have invested large amounts in. It is a very small amount. That is the financial picture at the present moment. I feel contrary to statements that Mr. MacKenzie has made. I do not feel that is necessary. I feel that the agreement must be cut according to the cloth to get by with the amount of money that we have budgeted. There has to be an effort to get more people through and a drive to cut expenses wherever possible. In this respect, I see absolutely no reason why we cannot have, in an important matter such as this, a member of the territorial staff made available to insure that no more than this amount is spent and this amount available will last as long as it is possible to last. When that money is gone that is the end of the festival. I do not think we should have this hanging on the balance where we should come back and ask for more money. It is \$30,000.00 we are doubtful about that you may not get back, but we must be assured that that is the total amount and cut expenditures and make the thing work with this amount of money that we have on hand.

Mr. Boyd: \$45,000.00 is guaranteed, so we can lend that. The \$30,000.00 is only in anticipation. We might be able to take care of that without much trouble, so all that is left is to get the Government to say that they mean what they say with regard to the \$75,000.00 and our troubles are over.

Mr. Taylor: I do not see it quite that way. If anything is secure it is the \$45,000.00 we have already advanced. The balance is an unknown quantity with the exception of the sale of tickets. We have no written and signed statement from the Federal Government stating they will support us with this venture. I still think we are dealing with \$100,000.00 of the tax payers' money. We have an agreement that has never been signed. The Government of Canada has no obligation to pay us a nickel for anything under this present set up. This is the situation as I see it.

Mr. Livesey: Mr. Chairman, I would like to ask Mr. MacKenzie where we are going to get this \$150,000.00 from. As the member from Watson Lake has just stated, we do not even have a financial agreement and I would like to ask why this agreement has not been signed. We left here in May in good faith that this agreement would be signed and how can we loan this money when we do not have any money to loan.

Mr. McKinnon: The bank will take the word of the Territorial Government as guarantor of this \$150,000.00. That was the specific problem we were called here for and we now seem to be going into other problems.

Mr. Livesey: I do not have either question answered. We have not come here specifically to solve the Dawson Festival problem by getting ourselves into another problem because Dawson has committed itself. We are not solving the situation by merely repeating the error and we must have something from Ottawa. What I want to know is can we or can we not, if the bank says they will take the Territory's word for it as a guarantee, they are coming to us because no one else will trust the situation. I would like to know what the Federal Government situation is.

Mr. MacKenzie: With regard to signing the agreement, we wrote to Ottawa on the 10th of May and we asked for permission to sign. They asked us to let them know as soon as this legislation was passed. The next move is up to them to sign the agreements and send them to us to sign. So far they have not done so.

Mr. McKamey: I understand the agreement was to come into effect on the first of April, 1962 and this agreement was proposed by the Federal Government and this agreement was ratified by the Territorial Council, so I would say it was apparent that this has been accepted by both parties with the exception that it has not been signed. This should be binding if the thing is in effect. I do not see how the Territorial Government could operate with this being pending.

Mr. MacKenzie: That is so. We have received the first quarter.

Mr. Livesey: I am not a lawyer, but I do not think an agreement is binding unless it is signed.

Mr. McKinnon: I believe we are digressing. Mr. Watt, will you take the Chair.

Mr. McKinnon, with Mr. Watt as Chairman: To me the whole point lies in the fact if we do not come up with this money by tomorrow, the Dawson Festival slides into oblivion and I will go along with Mr. Shaw's rapid calculation. I do not want to see this festival die for \$30,000.00. The bank will guarantee this. The Dawson people have no one else to turn to. We are the only ones they can come to now and since I am concerned, I want to go along with this.

Mr. Watt: This seems to have come into our hands in an awful hurry. Mr. McKinnon says we are the only people who can save this Festival. I think the people have tried us first and the Federal Government second. I think they would sooner get the participation of the Territorial Government first.

Mr. McKamey: I would like to comment on this point raised by Councillor Watt. I think the procedure which is being followed now is the proper procedure and should have been followed right from the start and I am willing to go along with the procedure as it is now and it should have been done this way at the start. I think this is the way it should stay. I do not think anyone here in the Yukon Territory, such as the Dawson Festival Foundation should go over the heads of the Territorial Council. They should work through the Territorial Council because in the long run we wind up behind the eightball anyway.

Mr. Livesey: They make a mistake first and then they foist their problems on us, because they think we can pay. This does not flatter our intelligence. The question I brought up is that if we stand guarantor we are responsible. Someone else has spent this money, I didn't and I do not see why we should be responsible. Morally we are, but that does not say we should cripple ourselves. How do we stand with the Federal Government? Are we going to get this \$75,000.00 or the \$45,000.00. The \$30,000.00 is in the hands of God. Where do we stand with the Government? If we are the guarantor of this money do we get the backing of the Federal Government? I think we should find out before we deal with this Bill. I think we should find out Mr. Chairman.

Mr. Boyd: Is Mr. Livesey making a motion to find out?

Mr. McKinnon: Perhaps Mr. Cameron could find out if the Government will guarantee this.

Commissioner Cameron: The contingent liability involves \$120,000.00, if we do not receive the ticket receipts. The Federal Government dictated a letter to the stenographer this morning. This letter will be signed and the \$30,000.00 is an amount which I have asked for, so that if they do put the finger on me I will not have to go to you for this money, so basically you are talking about a loss of \$30,000.00, which we do not even know we are going to spend.

Mr. McKinnon: Some of the Councillors are worried about the guarantee of the \$75,000.00.

Commissioner Cameron: I am accepting this letter as a guarantee because it was the Deputy Minister I was talking to. He is right behind us. The Federal Government is right behind us and they want to see this carried on. It is too bad it came at us this way, but I do think it is up to the Territorial Government to stand behind this Festival. Next year there is no production of "Foxy" or any Broadway Production. It might be an entirely different thing altogether. It could be a Vancouver Theatre thing. This was just to start the Festival off with. I feel that the \$75,000.00 is covered and after seeing the Festival and the show, I feel that the \$45,000.00 is covered.

Mr. Boyd: We put up the \$45,000.00. We said to the bank we will take care of it, but there is no sale of tickets for the \$75,000.00 and the hesitation seems to be we could be left. There is no assurance they will stand behind this. They could change their minds. If they could say it is a deal, then that is fine.

Commissioner Cameron: I do not see how anyone could make that statement any plainer than it is here. The guarantee that this has to go before the Parliamentary Authority is the statement you do not like.

Mr. Shaw: \$75,000.00. I feel fully confident by that letter that Mr. Dinsdale intends to honour it. On the other hand, I think we should look at the overall picture, that this amount of money we are spending is Territorial money and is to go to the overall benefit of the tax payers of the Yukon Territory. It is something we are not throwing into the river. It is something we are putting into tourism to benefit the whole Territory. You might say it will not benefit the Territory that much. That is an answer we cannot give. We cannot look that far ahead, but one thing I am sure of, if we do not get it, it will do tremendous damage. There are three thousand confirmed bookings, trips into the Yukon Territory

and we are going to have to say we will refund your money. That money will have to be returned and those are the facts. I agree there are many things that have not been done right, but now we are half way across the river and this Bill is whether we can make it across to the other side or not, because if we do not spend this money, we are going to sink. It is sink or swim on this.

Mr. Watt: Mr. Shaw may know more about this than I do. Has Ottawa turned this down? You say it is sink or swim. Has Ottawa turned down this request?

Mr. Shaw: Ottawa has not been approached for this loan, but Ottawa said some time ago there is no more money available from the Federal Government.

Mr. Watt: If Ottawa said there is no more money available to this Festival and on the other hand, Ottawa says they are making this money available through the Territorial Government.

Mr. Shaw: There is such a thing as giving a grant to the Territorial Government. You may not buy your child an icecream cone, but you will give him a dime to go and buy it himself.

Mr. Dempsey: I did undertake certain steps to ascertain that these things have taken place. To the best of my knowledge all steps have been taken to guarantee this.

Mr. McKinnon: This was maybe because of some sort of political expedience. They decided that this would be the best way to make money available to get us into the picture.

Mr. Watt: As far as I can see we can ask for \$150,000.00. We will accept that. I could never vote for it unless we had a guarantee from Ottawa that this would be forthcoming from Ottawa. We would have to have a very strong guarantee that this would be so.

Mr. Taylor: Mr. Chairman, we have here a situation likened to having a gun placed to your head and saying there do it or suffer the consequences. If we went tomorrow to our constituents and said we just killed the Dawson Festival, our constituents would not be very happy. It would not do the Territory any good. If we go back and say we just backed up the Festival for \$150,000.00, they will say we are told we cannot have a hospital etc., and yet we spend this amount. Either way we are in the soup and I feel Northern Affairs has put us in a very unfair position. I certainly do not want to see the end of the Festival in view of the fact that it is starting in in such a successful manner appart from the work that has gone into this Festival, but I wish to go on record as deploring a situation which has been placed before the Council and Administration of the Territory. I think the Commissioner and Administration have been put in a very unfair position. The Territorial Council has been put in a very unfair position in this matter. I think they should be made to understand that we recognize it.

Mr. McKamey: My only comment on this, I have decided in my own mind which way I am going to vote on this and I think this may be a little beyond our control. Someone said we are out in the middle of the stream. I think the Yukon Territory can do nothing else but benefit by this. We can do nothing but gain. This is an investment which I think will be a self-liquidating effort and I think we should consider it as such and whether we like it or not, it is a situation we are going to have to cope with. My personal opinion is that I am in favour of this Bill because I think the Yukon has nothing but to gain by it. There was a lot

of publicity in the Government, but I do not think those remarks had any ill affect and now Canadians realize that the Yukon is part of Canada. A few years ago the Minister of Labour addressed a letter to the Commissioner of the Yukon Territory, Alaska. I do not think we will have any more of this, as people now know it is a part of Canada and I certainly hope the move we make is the right one. I do not see where we can lose by it. I think it is money well spent.

Mr. Livesey: The U.S. thinks the Yukon belongs to Alaska and does not belong to anyone else. It was Americans that pioneered the Yukon. This Dawson City was done by Americans more than Canadians. When it comes to the type of Bill we have before us, I noted the remarks of the member from Mayo in regard to it. My remarks are somewhat different. It is a type of shotgun diplomacy and I think they must have some kind of shotgun person in that Dawson City Festival. Anyone who says we must have our pay tomorrow and if we do not get that money tomorrow, we are going to fold you up. This is financial civil war. I think if you have problems the thing to do is to sit around a table and discuss this and not tell the Territorial Government that they are going to close the thing up. I disapprove of the way they have gone about this. As far as the money is concerned, you have heard my views on that. I will not repeat that. It is a sad situation. I do not think it a good idea for the Yukon Territorial Council to come along and spend money which someone else has spent for them. We are trying to cover up a blunder someone else has made. That is what we are doing here this afternoon. If this was some original plan we had before us I could understand it. What we are trying to do is get someone off a spot. If they sink, we sink too. This is obvious, I do not think this situation has been conducted properly. We were not considered in the picture at all. All we are considered in is the last analysis. We are the fool that pays. This follows up the type of thing that we have more or less got used to in the last few years, finding out what is going on at the last minute. We got Ordinances in the middle of a session. This is the sort of thing we meet here. I think it is disgusting and I hope we impress upon Ottawa the necessity to treat the Council with some respect.

Mr. Minter: The cast has been most sympathetic toward this situation. Down in Vancouver and up here they have gone far beyond the requirements to get the show ready. The producer is working without pay and the only reason the play would have to stop tomorrow is because the Union has forced them to do this. I would not like to say the people in the cast are bandits. They have cooperated fully and worked very hard.

Mr. Shaw: A person has no conception of the amount of work in this thing unless he has been on the spot. It was remarked about having a shotgun at our head. I have seen shotgun marriages which have worked out pretty well. When you are in the middle of the lake in a boat and someone pulls out the plug and you have your family on board, you do not go around finding the fellow who pulled out the plug, you put the plug back in. I agree there has been tremendous mis-management. It has not been intentional. It has been one thing upon another until many people got involved and I might say, I wish I was not involved in the Festival, but I am involved and I wish to make it a success. As I pointed out, it is not our fault we are in this position. We did not ask for it. However, as Mr. McKamey pointed out this effort took the wrong approach. This is the right approach to get money through the Territorial Council. This is the method that should have been

used at the very start, but of course, it was not done, so we came on to situations like this. It is vitally necessary to the people of this Territory that this goes ahead. I do not think we can say it is the Federal Government's responsibility. We have the responsibility to the people of the Territory. Even though it is not our fault, we must pick up the pieces.

Mr. Watt: My mind is pretty well made up now. We have not too much time to look into the aspects and the breakdown of wages. I can see if we did not vote for this, Northern Affairs would. I think we would be jeopardizing the Yukon tax payer. We would be putting them in a position where we might have to levy a tax for it.

Mr. Shaw moved, seconded by Mr. McKamey, that Committee accept Bill No. 1, without amendment.

Motion Carried.

Mr. Taylor: Before we leave Committee, I wonder if I may be permitted a motion at this time to the effect that the Administration be respectfully requested to look into this matter of the Fiscal Agreement and obtain for Council's information the reason as to why this has not been signed after two months of notification and when we may expect this agreement to be signed.

Mr. Boyd: I would like to ask if the passing of this \$150,000.00 grant as it is worded, in the event that it is not all required now or later, that it can still be picked up and used for circumstances which might arise which no one has foreseen at this time. It is not restricted in any way to anything and I would like to go on record as asking this question in the event that a portion of this may be used for something that has not been discussed today.

Mr. MacKenzie: Yes, it could, within the particular vote in which it was voted. Any of that \$150,000.00 could be used for any other expenditure in Vote 6, or any other vote. This is allowed for in the legislation.

Mr. Shaw: The money has been approved for a certain purpose for the Festival Foundation and it would appear to me that that does not give a bunch of spending money to be spent for anything they wish. It is the intention of the Administration to see that this is used for a specific purpose. I direct that question to Mr. Cameron.

Commissioner Cameron: That is correct. It is for specific purposes.

Mr. Livesey: I wonder if we could have from the Administration, after this Festival is over for this year, an accounting of the total costs of the Dawson City Festival, the amount of the money that the Federal Government has spent, the amount the Territorial Council has spent and the amount of the receipts.

Mr. Livesey moved, seconded by Mr. McKamey, that the Territorial Administration, after the Dawson City Festival has ended for this year, be asked to supply information for the benefit of all members of Council, which will cover all Federal expenditures and all Territorial expenditures, as well as the total receipts from the operation of such Festival.

Motion Carried.

Mr. McKamey: There is one more point I would like to draw to the attention of Council in a form of suggestion, that since the Territorial Government will be investing a considerable amount of money in the Dawson Festival, I think it would only be wise if the Commissioner was instructed to appoint someone to make an accounting of the money which has been spent or possibly assist in the spending of this money in the Dawson area to keep track of the books etc..

Mr. MacKenzie: That question has all been covered. We are appointing a controller to represent us and supervise Territorial and Federal expenditures and make sure it is all valid. The association has appointed a firm of Auditors. You can take it that the finances and accounting are in good hands and I will exercise further control from this angle and receive financial statements from the Controller and I will supervise.

Mr. Boyd: What about this agreement with the exchange. I understand this is where our 10% of 50% might come in.

Mr. Minter: The exchange really owned 20 percent and the Festival Foundation now has 10% of the units. Of the Canadian Theatre Exchange's 20 units, we will now hold 10 units.

Mr. Boyd: It boils down that you are getting 10 units out of 100. This agreement that has been drawn up, has it been signed already.

Mr. Minter: I think Mr. Hughes can give you that. This agreement was drawn up and discussed last week and the final points were discussed in Dawson City that were included in this agreement. It has not been signed, but it has been initialled.

Mr. Boyd: Well, that is not a certainty yet.

Mr. Livesey: When we talk about the investors' 50% it seems to me the Territorial Government has just made a tremendous investment. Just who are the investors?

Commissioner Cameron: We have all the investors' rights in this.

Mr. Shaw: I did not know anything about show business, but I know now. Before you can have a show the first thing you do is take 100 units. The fellow that puts up the money gets 50 units. Another group of people who produce the show get the other 50 units. We end up with 50 units belonging to the people who put the money on the table and 50 units are the producers, so the show goes on. The first money that comes from the show will go to the investors. They will get their money back. Then the producers' section of 50 units start to get their profits.

Mr. Boyd: I am still not clear on one point. This 10% we are talking about. Can this get us any money out of this Dawson show we are putting on. Where do we stand to make any money in Dawson.

Mr. Minter: None, except the gate receipts.

Mr. Boyd: Can they take this same show and put it on and get money?

Mr. Minter: They can take this same show and put it on and if it starts making money on Broadway or anywhere else, we will still retain our ten units and will start making money. If a song is a hit and gets recorded, we will make much money on it.

Mr. Livesey: It seems to me this group has done very well. Who paid for transportation?

Mr. Minter: The Producer.

Mr. Livesey: Why did they make the scream in Vancouver?

Mr. Minter: They did not scream, I made the scream, because I knew there was no money available and I felt they should not get on the boat unless someone put up money to pay for it, because the moment they stepped on the boat, someone would have to pay \$45,000.00, but no one screamed. It cost \$130,000.00 to put this show on and they were short \$40,000.00 of that amount. It cost \$15,000.00 a week, which comes out to this \$130,000.00. There had to be \$15,000.00 in the bank each Tuesday morning. When I got to Dawson, I found there was no \$15,000.00 available for them and there was no money for them to get back to New York. I was the one who did the screaming.

Mr. Livesey: Didn't someone know this a year ago?

Mr. Minter: If they did, I did not know about it. Someone had agreed and given a commitment to put up this money and this proceeded to the point where they were committed and at that point they pulled their financial support away and this was brought to the attention of the Department of Northern Affairs and in the interests of the Festival they acted.

Mr. Watt: All I can say is, now that this has been voted, try and make it last.

Mr. Minter: I know this money is needed, the show cannot go on without it. Mr. MacKenzie and Mr. Riezebos and I recognized that this needed some management and no one is more grateful than I that there will be this control. We hope the controller will examine every voucher that comes through, because we are interested in making money.

Mr. Taylor moved, seconded by Mr. McKamey, that Mr. Speaker resume the chair to hear the report of Committee

Motion Carried.

Mr. McKinnon, Chairman of Committee of the Whole gave his report as follows:-

Committee convened at 11:00 o'clock this morning, with Commissioner Cameron, Mr. Minter and Mr. Riezebos in Attendance.

It was moved by Mr. McKamey, seconded by Mr. Livesey, that all agreements available be tabled before Council. The motion was carried.

Committee recommenced at 2:00 o'clock P.M. with Commissioner Cameron, Mr. Minter, Mr. Rieseboz, Mr. Dempsey and Mr. MacKenzie in attendance.

It was moved by Mr. Shaw and seconded by Mr. McKamey that Bill No. 1 be passed in Committee. The motion was carried with Mr. Shaw, Mr. McKamey and Mr. Taylor in favour and Mr. Boyd, Mr. Livesey and Mr. Watt dissenting. I, as Chairman, cast the deciding vote in favour of the motion.

It was moved by Mr. Livesey and seconded by Mr. McKamey that the Territorial Administration, after the Dawson City Festival has ended for this year, be asked to supply information for the benefit of all members of Council, which will cover all Federal expenditures and all Territorial expenditures, as well as the total receipts from the operation of such festival. The motion was carried.

It was moved by Mr. Taylor and seconded by Mr. McKamey that Mr. Speaker resume the Chair and Committee adjourned at 4:50 P.M.

Council accepted the report of Committee.

Mr. Speaker: I presume the business we came to Whitehorse for has been completed and I suggest that we now complete our deliberations.

Mr. Taylor moved, seconded by Mr. McKamey, that Bill No. 1, "An Ordinance for Granting to The Commissioner Certain Additional Sums of Money to Defray the Expenses of the Public Service of the Territory, be given Third reading. Third reading
Bill # 1

Motion Carried.

Mr. Shaw moved, seconded by Mr. Boyd, that steps be taken to prorogue Council.

Motion Carried.

Mr. Speaker requested the Clerk of the Council to escort Commissioner Cameron to the Council Chambers for his closing speech.

Mr. Speaker: Mr. Commissioner, the Council of the Yukon Territory has, at its present sitting thereof, passed a Bill to which, in the mane and on behalf of the said Council, I respectfully request your assent.

Mr. Taylor, The Clerk of the Council: The Bill requiring assent is:

Bill No. 1. "An Ordinance for Granting to The Commissioner Certain Additional Sums of Money to Defray the Expenses of The Public Service of The Territory"

Commissioner Cameron:- Mr. Speaker and Members of Council, it seems that you have completed the work of the day and I might say I think you have done an excellent job. What we have tried to do today and what we have asked you to do, I think, is something that we have lain awake nights working at and have spent many days doing. It is very difficult to explain all the ramifications and operations of it from beginning to end and the different meetings and methods that everyone has tried to get around this with. I appreciate how you have handled it today and the questions you have asked. I hope that we can justify your deliberations. Speaking for the Administration, we will do everything in our power to see that this is handled as you wish it handled. We will notify you of anything that we feel would be of any particular importance and if you have any particular questions or wish to contact us, please do so. There is nothing further to say in this regard gentlemen. I appreciate your coming in very, very much.

Assent has been given to the Bill enumerated by the Clerk of the Council.

Mr. Speaker: I would like to thank Commissioner Cameron for his remarks and I wish you all health, wealth and happiness until we meet again in the fall.

Mr. Taylor, Clerk of the Council: It is the Commissioner's will and pleasure that this Council be now prorogued and this Council is accordingly prorogued.

Council prorogued at 5:00 o'clock P.M. on Thursday, July 5th, 1962.

Dawson City Festival Foundation

OPERATING BUDGET
For the 1962 Festival

	<u>Optimistic</u>	<u>Realistic</u>
Disbursements		
Salaries and Labor	\$ 17,900	\$ 17,900
Rent and occupancy costs	7,800	7,800
Advertising, promotion and office local	4,000	4,000
Automobile	400	400
Travel	1,000	1,000
Telephone and telegraph	2,000	2,000
Sundry	1,000	1,000
Furniture and equipment	2,500	2,500
Professional fees	2,500	2,500
Contingencies	5,000	5,000
Canadian Theatre Exchange	56,000	56,000
Bob Darch	7,000	7,000
Pam Hyatt	1,000	1,000
Investment in Foxy	<u>268,500</u>	<u>268,500</u>
	<u>376,600</u>	<u>376,600</u>
Receipts		
Donations and memberships	40,800	40,800
Government grants	55,000	55,000
Exchange	500	500
Revenue from: Tours - package	10,500	10,500
- other 10,000 @ \$3.50		
6,000 @ \$3.50	35,000	21,000
S.S. Keno	6,000	6,000
Meal Plans	1,000	1,000
Publications	1,000	1,000
Souvenirs	<u>3,500</u>	<u>3,500</u>
	<u>153,300</u>	<u>139,300</u>
	<u>223,300</u>	<u>237,300</u>
Deduct: Estimated revenue from Foxy 60%/40%	<u>70,000</u>	<u>46,600</u>
Cash deficit	<u>\$ 153,300</u>	<u>\$ 190,700</u>
Calculation of Investment in Foxy		
<u>Production</u>		
Contributed directly by Mr. W. A. Dempsey		\$ 86,475
Government grant		<u>50,000</u>
		136,475
<u>Run</u> - 7 weeks @ \$16,000		<u>112,000</u>
		248,475
Allowance for contingencies		<u>20,000</u>
		<u>\$ 268,475</u>

Note: An amount approximating \$8,000 has been injected into the production of Foxy by C.T.E. but this amount is shown in the Total amount to be paid to that company.