



The Yukon Legislative Assembly

Number 1

5th Session

23rd Legislature

Debates & Proceedings

Tuesday, February 17, 1976

Speaker: The Honourable Donald Taylor



The Yukon Legislative Assembly

Volume 11, 1987-1988

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THE FIRST SESSION OF THE LEGISLATIVE ASSEMBLY FOR THE YEAR 1976, BEING THE FIFTH SESSION OF THE TWENTY-THIRD LEGISLATIVE OF THE YUKON TERRITORY WAS CONVENED IN THE ASSEMBLY CHAMBERS AT 3:00 P.M. ON TUESDAY, FEBRUARY 17th, 1976.

The members present were:

The Hon. J.K. McKinnon
The Hon. D. Lang
The Hon. F. Whyard
Mr. G. McIntyre
Mr. A. Berger
Mr. B. Fleming
Dr. J. Hibberd
Ms. E. Millard
Mr. S. McCall
Mr. W. Lengerke
The Hon. D. Taylor, Speaker
Mrs. H. P. Watson

(Mr. Speaker enters the Assembly Chambers, announced by the Sergeant-at-Arms)

Mr. Speaker: I will now call to order this fifth session of the Yukon Legislative Assembly.

At this time, I would beg to advise the House that I am informed that the Commissioner of the Yukon Territory is prepared to give the speech from the throne, so accordingly at this time, I will stand this House adjourned.

Adjourned

(The Commissioner enters the Chambers announced by his Aide-de-Camp)

(THE COMMISSIONER PRESENTS THE SPEECH FROM THE THRONE)

Mr. Speaker: Thank you, Mr. Commissioner. I will now call the House to order.

I would like to advise the House at this time that I have now received a copy of the speech from the throne. May I have your pleasure at this time?

The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Mr. Speaker, moved by myself, seconded by the Honourable Member from Pelly River, that the speech from the throne be considered on a day following.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Pelly River, that the speech from the throne be considered on a day following. Are you prepared for the question?

Some Members: Question

Mr. Speaker: Agreed.

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion carried.

Motion Carried

Mr. Speaker: May I have your further pleasure?

The Honourable Member from Whitehorse North Centre?

Bill No. 8 Introduced

Hon Mr. McKinnon: Mr. Speaker, I beg to move, seconded by the Honourable Member from Porter Creek for leave to introduce Bill Number 8, entitled "Public Service Commission Bill".

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Porter Creek, for leave to introduce Bill Number 8. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion as carried.

Motion Carried

Mr. Speaker: May I have your further pleasure?

Mr. McCall: Mr. Speaker, I move that we adjourn the House until 10:00 o'clock tomorrow morning.

Mr. Speaker: Is there a seconder?

Mr. Lengerke: I second that, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Whitehorse Riverdale, that we do now adjourn. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion as carried.

Motion Carried

Mr. Speaker: This House now stands adjourned until 10:00 a.m. tomorrow morning.

THE UNIVERSITY OF CHICAGO



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MR. SPEAKER,

MEMBERS OF COUNCIL

I have the honour to welcome you to this the fifth Session of the 23rd Wholly-Elected Council of the Yukon Territory.

As you will be concerned primarily with financial matters at this session, it is appropriate that I should include in my present remarks the tenth successive Annual Budget that, as Commissioner of the Yukon Territory, I have been privileged to present.

Even though the economic picture looks bright for Yukon, we are experiencing the same pressures of inflation and rising expenditures as are other parts of Canada. The opening of this Session of Council coincides with one of this Government's most concentrated efforts at dealing with these problems. It was announced in December that, because of projected overruns in the current year budget, the hiring of personnel and outside travel would be frozen and that all efforts would be made to cut back on non-essential expenditures.

Mr. Speaker, I am happy to say that our struggle in this regard is making progress. But, with the tighter fiscal policy of the Federal Government, the coming year must be one of consolidation in Yukon's expenditures and not one of expansion. Therefore, for its part in the fight against inflation, this Government will keep all departments and all programs under constant review to ensure we keep expenditures within budget guidelines. However, even with these new constraints, improving the quality of life in Yukon is still our highest priority and the forth-coming Legislation shows a balance between providing further services to the public and the difficult revenue versus expenditure problem.

Mr. Speaker, before dealing with the supplementary estimates for 1975-76 and the main estimates for 1976-77, I would like to indicate other Legislation that will be placed before you at this session.

A Comprehensive Public Service Ordinance will be presented to Council. This Ordinance will bring the present Legislation up to date with existing practices and policies, and will establish an independent public service commission for Yukon. This is a major step in the constitutional development of the Territory, and places Yukon in a similar position to that of all provinces. The autonomous and unbiased treatment of Territorial Government personnel will be assured by this legislation.

We will also seek an amendment to the Compensation For Victims Of Crime Ordinance to bring the payment structure into line with our agreement with the Federal Government with whom we cost-share this program.

In the area of the evolution of fiscal responsibility for Yukon, I can advise that negotiations are underway with Ottawa to develop a formula whereby Yukon will share in the revenues derived from renewable and non-renewable resources. Hopefully this will be implemented for the 1977-78 fiscal period.

At this session, Council will be presented with a paper which will propose the imposition of a Territorial Income Tax. If the proposal is adopted, this will be accomplished under agreement with the Federal Department Of Finance who will collect the tax, at a level proposed by us, as is done in the provinces.

Mr. Speaker, perhaps the most significant and far-reaching event in the history of Yukon continues at the present time. The land claims negotiations are progressing towards what is hoped will be an equitable agreement for all concerned. The Yukon Territorial Government continues active participation with the Federal Government and the native groups and in my opinion, makes a positive and often innovative contribution to the discussions.

In addition to the major efforts being made in the land claims issue, the Territorial Government is also giving priority to the development of a comprehensive set of goals and objectives for the government as a whole and for each of its departments. At the present time, a document outlining these goals and objectives is in the final stages of development. In addition a Sessional Paper has been prepared for Council which outlines the progress and the philosophy involved in defining these goals and objectives.

Mr. Speaker, the estimates placed before you at this session call for expenditures in the order of \$72,000,000. In order to finance this budget, full credit must go to the Federal Government. As a result of negotiations during the past year, the Senior Government has agreed to provide the Territory with resources sufficient to maintain our existing programs and in addition, has provided unassigned funds. This approach marks a significant advance in the financial and constitutional autonomy of the Territory and reflects the growing mutual respect of both governments. This respect is based on our financial performance over the past ten years. It has not gone unobserved by the federal authorities and is now returning dividends to us in increased fiscal control and constitutional progress. Yukoners can be proud of this performance and it is with a great deal of personal satisfaction that I can tell you that Yukon has reached the point of financial responsibility that most Canadian provinces with full authority find hard to match.

A new Ordinance will be introduced which will allow the Territorial Government to generate some additional revenues without placing additional taxes on the general population. The Insurance Premium Tax Ordinance will provide revenue from Insurance Corporations in relation to the amount of premium dollars collected from Yukon residents. As well as generating additional revenue, this will bring our Legislation into line with all other provincial jurisdictions.

It will be proposed that this government should capitalize on the substantial travel industry as another means of raising revenues internally. Therefore, this Government intends to introduce an Ordinance placing a tax on hotel and motel rooms. This tax will not affect most Yukoners, but will provide a much-needed source of funds for the Government and will shift some of the cost of providing needed services onto the user of the facilities. The

Legislation will be presented at this session with implementation on January 1, 1977.

In my last address in November 1975, Mr. Speaker, I outlined my Government's concern with the problem of alcohol consumption. Government control of liquor distribution entails a responsibility to prevent its abuse. As the cost of rehabilitation due to alcohol related problems increases, it is only right that these costs be associated as closely as possible with the problem. Accordingly, this Government will introduce the surcharges placed on liquor and alcoholic beverages. No increase will be applied to ordinary wines and beer.

A corresponding change is proposed for the Tobacco Tax Ordinance. These changes are not general changes in taxation, but reflect an increasing concern by all Canadians that the general population should not be required to pay the costs associated with the individual use of tobacco or alcohol.

We will be asking for a resolution to permit an Amendment To The Taxation Ordinance to increase the general purpose mill rate outside of municipalities by 10 mills to a total of 22 mills with a minimum of \$100 annually. The major share of this tax increase will be borne by the resource industries. Much of it will be redistributed to Yukoner home owners through a mechanism which will be described later.

These tax increases are expected to provide additional revenues of approximately \$885,000. As well, we have increased business and professional licences and fees which have not been adjusted since 1971. The expected increased revenue from this source will be some \$20 thousand dollars.

There will be a reduction in projected expenditures for 1976-77 in comparison with the present estimate for 1975-76, due to the completion of several major capital projects. Capital expenditures for this year will be about \$14,000,000 less than last year. A comparison of the total expenditures for the two years shows the difference.

	<u>1976-77</u>	<u>1975-76</u>	<u>Increase (Decrease)</u>
OPERATION AND MAINTENANCE	54,126,508	44,738,211	9,388,297
CAPITAL	17,568,400	31,371,400	(13,803,000)
	<u>71,694,908</u>	<u>76,109,611</u>	<u>(4,414,703)</u>

Before I proceed with the discussion of the budget for next year, let me direct your attention to this year's budget. The estimated expenditures for 1975-76 exceed original estimates by an amount of \$7,068,501 as follows:

	<u>Estimated</u>	<u>Original</u>	<u>Increase (Decrease)</u>
OPERATION AND MAINTENANCE	44,738,211	42,174,110	2,564,101
CAPITAL	31,371,400	26,790,000	4,581,400
	<u>76,109,611</u>	<u>68,964,110</u>	<u>7,145,501</u>

O and M costs exceed the original main estimates by \$2,564,101 or 6 per cent. Over half of this total increase, approximately \$1,600,000 is attributable to higher salary and wage costs resulting from the new collective agreement with the Y.T.P.S.A. most of the remainder of the increase can be attributed to inflationary factors. For example, our agreement with the R.C.M.P. will cost some \$100,000 more than the estimated because of cost increases some of the overrun is due to unbudgeted items such as the YTG portion of costs associated with the Arctic Winter Games.

Capital costs will exceed the original estimates by \$4,061,400 or 18.3 per cent of this total, approximately 1.5 million dollars is attributable to replacement of the Mayo School. Much of the balance is the expenditure of \$760,000 for land development and \$1,620,000 due to the early completion of the new territorial building. These expenses will be either self-financing (as in the case of land development) or will be funded from Ottawa in the 1976-77 fiscal year.

The demand for loan capital is increasing primarily as a result of the demands for funds by municipalities and partially as a result of financing the community's share of certain expenses under the Capital Assistance Ordinance. I will be placing before Council supplementary Appropriation No. 4 and Loan Agreement Ordinance (1975) No. 2 to reflect the need for these additional moneys.

Mr. Speaker, I would now like to turn your attention to the details of the budget for 1976-77. O and M expenditures for each department with comparative figures for 1975-76 are as follows:

	<u>ESTIMATED</u>	<u>1975-76</u>	<u>Increase</u>
Administrative Services	1,794,901	1,558,431	236,470
Territorial Treasurer	1,853,368	1,650,431	202,529

	<u>1976-77</u>	<u>1975-76</u>	<u>Increase</u>
Education	12,502,368	11,719,112	783,256
Secretary, Registrar General	1,358,778	1,124,081	234,697
Health, Welfare and Rehabilitation	11,900,890	8,649,173	3,251,717
Local Government	3,360,504	2,254,470	1,106,034
Tourism, Conservation, and Information	2,522,190	2,053,531	468,659
Legal Affairs	2,303,704	1,801,540	502,164
Highways, Public Works	14,490,589	12,621,849	734,031
Yukon Housing Corporation	2,039,531	1,305,500	1,368,740
	<u>54,126,508</u>	<u>44,738,211</u>	<u>9,388,297</u>

Every effort was made to keep our expenditure needs for the next fiscal year to a minimum. The greater part of the increase results from payroll and material costs, although there are a few new programs which I will mention as I review the departments.

It should be noted in reference to the main estimates that there has been no provision made for any increase in fees to doctors or for increase in salaries for teachers. The result of these two negotiations will be reflected in supplementary appropriations later this year.

No changes are anticipated, Mr. Speaker, in regard to administrative support services costs. However, the present estimates include the additional indemnities voted at the session of Council. Included in the administration group is the personnel department. The operation of security services in the new administration building will fall under the jurisdiction of the Department Of Highways And Public Works and therefore, the security forces will be transferred out of personnel.

Over the past five years, treasury staff has remained at a fixed level. However, it was increased in 1975 to keep pace with extended activities and programs in the Government. An assistant budget director and a systems supervisor with stenographic support were added to the staff. There are no further changes contemplated in the coming year, with the exception of the operation of the car pool which will be moved from highways to the transportation section of treasury. The conversion of the computer from card to disc became a more difficult job than anticipated as a result of staff turnover, but it is now completed and a study has been made to determine the feasibility of taking over the Y.H.C.I.P. application presently contracted to a firm in Vancouver. If the economics are viable, this transfer could be made as early as April 1, 1977.

The education budget for 1976-77 is "hold-the-line" budget which will maintain the current level of services provided in both the educational and recreational areas. No major expansion or services is contemplated in the forthcoming fiscal year. However, it should be noted that negotiations with the Yukon Teachers' Association will begin this spring and the impact of these negotiations cannot be totally predicted at this time. As well, the increasing costs of utilities will have an effect on this department during the budget year.

Emphasis in the coming year will be placed on the local development of curriculum units and the funds allocated for this purpose have been substantially increased in the education budget. There is evidence to indicate that some form of post-secondary education, other than the vocational and technical training available the present time, might be desirable in Yukon and funds have been allocated to provide for a post-secondary feasibility study during the year. In addition, we have found it necessary to reduce the Territorial subsistence allowance in the Vocational Training Center to reflect the current state of our local labour market.

In conjunction with the move into the new administration building the Department Of The Territorial Secretary is reorganizing the central records service. In addition to the regular records office functions, a central stationary stores, shipping and receiving facilities and copy facilities in each record sub-station will be provided. The provision of these extra services necessitates an increase in the man years and funds to be allocated to this department. However, this increase reflects an equal decrease in the estimates of other government departments as the services are simply being centralized.

A major change is proposed in the operation of Yukon Hospital Insurance Services. This change is in respect to the financial arrangements for the operation of Federal Hospitals in the Territory and entails converting these facilities to budget review hospitals. Essentially, hospitals will be reimbursed by Y.H.I.S. for insured in-patient services at an approved per deim rate which will reflect the actual costs of operating the facility. This is an initial and essential step for the Territorial Government assuming complete responsibility for health services in the Territory.

The increase in funds which will be required to achieve this objective is substantial, although it is offset to some extent by the cost-sharing arrangements with the Federal Government under the Hospital Insurance And Diagnostic Services Act. The additional monies will be provided by Ottawa outside the financial agreement for 1976-77, but thereafter, funding will be provided within the agreement.

The Social Welfare Branch continues to provide an extensive range of social services throughout Yukon, designed to provide care and assistance to the elderly, to alleviate poverty and distress among families and individuals, and to care for children endangered by abuse or neglect. These programs, which include the operation of a number of geriatric and child care facilities are carried out under the statutory provisions of the Social Assistance Ordinance and the Child Welfare Ordinance.

No major expansion of these programs is planned in the forthcoming fiscal year: However, with client caseloads stabilizing, we plan to move from a position of intervention and reaction to one of prevention.

Correction programs will continue as at present. However, we are exploring the possibility of cost-sharing the correctional services we now provide to juveniles with the Federal Government, as is the practice in the majority of the provinces. Should we be successful in concluding such an agreement, there will be a sizeable saving in expenditures by this Government with no decrease in the level of service provided. The new Juvenile Training Home came into operation last September and is a major improvement over the previous juvenile facilities.

The major changes in Local Government expenditures are a result of a New Homeowners Grant program, staffing for the Land Branch to provide a more adequate level of services and a redesigned Mosquito Control Program which will see new chemicals and application methods being used to destroy the hardy mosquitos.

The Homeowners Grant is proposed to provide a redistribution of the property tax load by assisting the resident homeowner-taxpayer in paying the property tax bill. This grant will also offset the inequities caused by the advantages given by some governments and private firms to their employees. It recognizes the efforts of homeowners to make Yukon a more vital and satisfying place to live. The grant will be partially supported through increased mill rates levied for property taxes by the Territorial Government. The other programs and activities of the department

of Local Government will be continued at the present levels of service.

The three million dollars per year appropriation for community assistance projects will continue unabated. However, the effects of these programs may be diluted somewhat through increasing project costs due to inflation.

More Yukon communities are applying for capital grants to build social and recreational buildings, television receiving stations, and to improve the services provided for their residents. Municipalities will continue to finance their long term capital works programs at the same levels as this year. Community planning studeis will be funded for the town of Faro and the city of Whitehorse to enable these two high growth communities to ensure that their future community needs can be met economically. Local improvement districts and unorganized areas lacking water and sewer systems will be encouraged to provide a higher standard of water delivery and sewage services through the provision of equipment for this purpose.

* No provisions have been made in this budget for increased per capita grants to municipalities. However, following the receipt of the 1976 census of population figures in early 1977, there will be a re-assessment of the financial positions of the municipalities in the light of the high rate of inflation. At that time, consideration will be given to the provision of one time special grants to help ease the burden of shrinking dollars on municipal governments. Nevertheless, municipalities must be conscious of our weakening financial position and ensure they impose stringent constraints on their own administrations. *

Yukon's tourist industry continues to expand despite the generally depressed economic situation in other areas. Visitors to the territory in 1975 increased by an estimated seven per cent over the previous year, representing a modest recovery from 1974 when the energy situation reduced travel considerably by U.S. residents, Yukon's major tourism customers. The summer of 1976 is somewhat of a question mark because of the Olympic Games in Montreal.

As the flow of visitors increases, the success and further growth of Yukon tourism will depend not on promotion, but on performance. The continuation of a successful travel industry lies in satisfied customers. For Yukon tourism to thrive, the best of management skills must be applied, and planning must go before action. We are therefore shifing the emphasis of our expenditures in this department towards more research and planning. The objective is to produce a comprehensive long-range plan for the development of Yukon's tourism resources while still sustaining current visitor levels.

All Yukon residents will now be permitted free access to all campgrounds The Yukon campground fee has been increased to ten dollars for non-residents.

The Yukon Government Information Services will be placing greater emphasis on providing the public with information on Government programs while still promoting a better awareness of the Yukon outside.

Wildlife is a very valuable resource and provides both income and recreation to the Yukon. With the increased pressure on our renewable wildlife resources for economic, recreational and aesthetic reasons, it is mandatory that we continue to develop our ability to manage this resource. Accordingly, two new staff members will be added to the game department. This will give the government the ability to become actively involved with management of wildlife habitat and fisheries. These fields have not previously received adequate coverage.

A wildlife Survey and Management Program has been established in the Old Crow and North Coast Area. This project will contribute greatly to a better understanding of our wildlife resources in the north of the territory.

The Game Department has also incorporated into its functions, a hunter safety training officer. This officer will administer a program which will reach hunters and students alike in an attempt to formulate a better understanding by Yukon residents of our wildlife resources and the safe handling of firearms.

During the new year, the continuation of the Yukon's wildlife resource inventory will be concentrated in the central area of the territory. This will add to the knowledge documented in previous years.

The Library Services Branch continues to develop its ability to deliver information, ideas and books to all parts of the Yukon. Although there are no program changes over the previous fiscal year, it is anticipated that greater concentration will be placed this year on gaining access for the smaller communities to the variety of library services which are now available in Whitehorse. In particular, the capacity for research and reference made possible by growing Yukon Archives collection and access to multi-media services will be emphasized.

In order to maintain the quality of service of the entire library program, some reduction in programs have been necessitated in the face of rising operational costs. The Takhini Branch Library will be closed on April 1, 1976 and its service consolidated into the Whitehorse Public Library and the basic level of the budget for acquisition of archival and public and school library materials has been slightly reduced from the previous year's budget.

The operating and maintenance budget of the Legal Affairs Department of 2.3 million dollars includes an increase of \$479,982 over 1975-76 for police services. The increase results from a proposed change in the Federal Government's cost-sharing formula now under active negotiation.

A legal Aid Cost-Sharing Agreement with the Federal Government is presently being negotiated and the total cost of the plan is expected to be in the vicinity of \$70,000, 50 per cent of which would become recoverable.

Under the Federal-Territorial Engineering Services Agreement, federal spending cutbacks have affected this season's program. Original submission of \$2.76 million was reduced to \$1.3 million and further cuts in the federal contribution may be expected. While the paving of the Campbell Highway from Watson Lake to the Airport Turnoff at mile 6 and culvert installation on the Nahanni Range Road are still in the program, the paving of the Whitehorse-Keno Road from mile 94 to mile 104 through Carmacks has been deleted, as has the pre-engineering work on the North Canol Road.

We have not made any provision in this budget for Federal-Territorial projects as we are still uncertain of approvals. Therefore, if funds become available, we will require supplementary appropriation later this year.

Under the M.O.T. Arctic "B" and "C" Airports Program, this year we completed the Dawson Airport Terminal Building on a full recovery basis. My officers are still negotiating with M.O.T. for work to be carried out under the program at the Dawson, Mayo and Faro Airports.

Recently an agreement of major and long-term importance has been reached with the Federal Government regarding our highways. This agreement concerns the prevention of uncontrolled development along new highways in Yukon. The Government of Yukon has already assumed responsibility for development of this, the Federal Government has now transferred the responsibility for development along our two new major highways - the Dempster and Carcross - Skagway. This agreement strengthens the Territory's control over development and ensures that necessary services will be provided both in the best interests of consumers and residents of Yukon. In this way, there will be local control over development and our wilderness can be protected for future generations.

Although the Yukon Housing Corporation is a separate and autonomous organization run by an independent board of directors, it is nevertheless an important part of the increasingly sophisticated level of services available to Yukon residents. The 1976-77 capital budget of the Yukon Housing Corporation reflects a decision by the Board of Directors to review and assess existing housing programs and develop new housing initiatives for implementation in 1977-78.

In the forthcoming fiscal year, Mr. Speaker, The Yukon Housing Corporation will, therefore, continue to upgrade staff housing and provide subsidized low rental accommodation in the form of an apartment for single persons and one-parent families in the city of Whitehorse.

The corporation will also continue in its efforts to encourage the private sector to join with the corporation in providing multiple accommodation in our smaller communities.

In 1975 the Yukon Housing Corporation was a member of a committee with Yukon Association of Non-Status Indians, Yukon Native Brotherhood and Central Mortgage and Housing Corporation. The purpose of this committee is to develop and implement a housing program for residents in the rural and remote areas of the Territory. While no firm agreements have been arranged for this program, provision has been made in the budget to provide basic housing for families of limited income. It is unknown at this time whether an agreement can be reached with the involved parties and - or whether a delivery system can be developed in time for this construction season.

In addition 1976-77 capital funds have been earmarked for the assisted homeownership program to ensure that modest priced housing will be available to families of moderate incomes.

Associated with the development of housing is the decree by Treasury Board, through the Northern Housing Requirements Committee, that Whitehorse is no longer considered an area where housing has to be provided to government employees. The Federal Department of Public Works which controls and administers northern pool housing has been directed to formulate a strategy for the disposal of such housing over the next several years. A working group has been established to work with representatives from the city, The Yukon Government, federal agencies and commercial interests to proceed with the planning of the project. This working group will examine the possibility of having the Yukon Housing Corporation administer some of the housing, and the long-range requirements for pool housing in Whitehorse and the means of providing it.

CAPITAL EXPENDITURES

The Capital Expenditure Program for the year 1976-77 is considerable less than the current year which will see substantial completion of the Administration Building as well as a number of other capital projects. The projects which we will undertake are as follows:

Community Assistance Program	\$3,000,000
Land Development	2,623,000
Staff Accommodation	1,000,000
Assisted Home Ownership Program	1,200,000
Public Housing	600,000
Rural and Remote Housing	400,000
Escarpment Control	600,000
Other	1,828,500
	<u>\$11,251,500</u>

1976-77 is the third year in which funds have been available under the Community Assistance Program and it speaks well of the program that there does not appear in any one year sufficient funds available to fill all the requests of municipalities and L.I.D.'s in the Territory. The Government will also spend considerably more money this year in developing lots for sale and providing much needed housing to Yukoners throughout the Territory. There are a multitude of miscellaneous projects, although not as great as last year, ranging from campground development to providing replacement of equipment in various facilities, schools and welfare establishments throughout the territory.

FISCAL PROSPECTS

As indicated at the beginning of this address, we have proposed an increase in territorial revenues which along with an increase in the federal deficit grant will enable us to have a healthy surplus in our operations and maintenance expenditures. A capital grant of the same amount as last year will enable us to rebuild our badly depleted capital reserves.

In operations and maintenance, we are estimating revenues of \$13,551,000 with recoveries in cost-shared programs of \$22,500,119, included in which is \$1,270,574 outside the agreement for increased health care costs under budget review. This, along with grant in lieu of income tax of \$9,241,000 and deficit grant of \$10,924,000 will give us a surplus of \$2,089,611. We anticipate that our working capital will increase to an amount of approximately \$5,139,709 which is only barely sufficient as a reserve against unforeseen contingency in view of expenditures in the magnitude of \$54,126,508 and the unknown costs of the doctor and teacher negotiations.

In capital we are also anticipating a surplus. Expenditures of \$11,381,500 will be financed partially through cost-sharing agreements in an amount of \$4,710,500. The deficit grant of \$11,606,000 will provide the remainder and leave a surplus of \$4,955,000 of which \$3,335,753 was spent in 1975-76 and \$1,599,247 will go into our working capital.

We plan to borrow \$5,273,000 from the Federal Government for lending the municipalities and for use in developing land in the Territory.

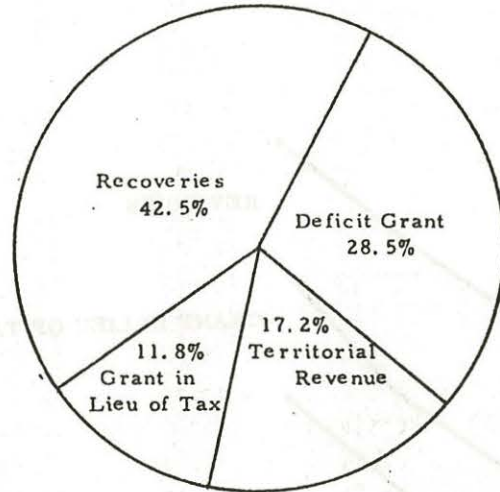
We will repay \$1,043,900 by way of principal and interest to the Federal Government on loans made in the past. The appropriate financial ordinances are as follows:

Fourth Appropriation Ordinance 1975-1976
 First Appropriation Ordinance 1976-1977
 Financial Agreement Ordinance
 Second Loan Agreement Ordinance (1975)
 First Loan Agreement Ordinance (1976)
 Municipal Loan Agreement Ordinance (1975)

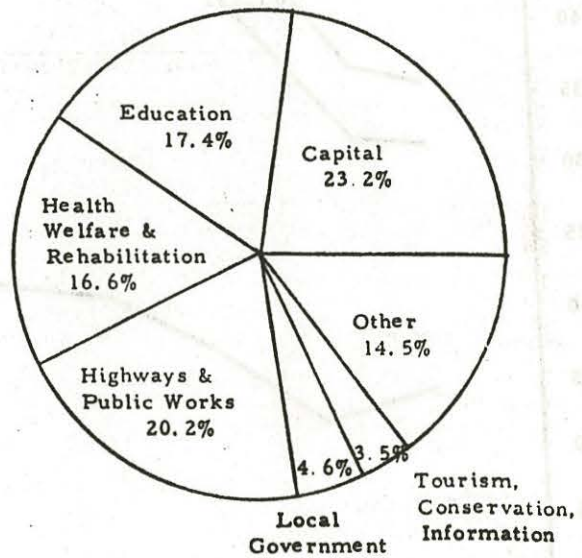
Mr. Speaker, as in the past, the Members of the Executive Committee are prepared to answer any questions councillors may wish to ask of us during the discussion of the budget.

J. Smith
 Commissioner

1976-77
RECEIPTS
BY
MAJOR SOURCE

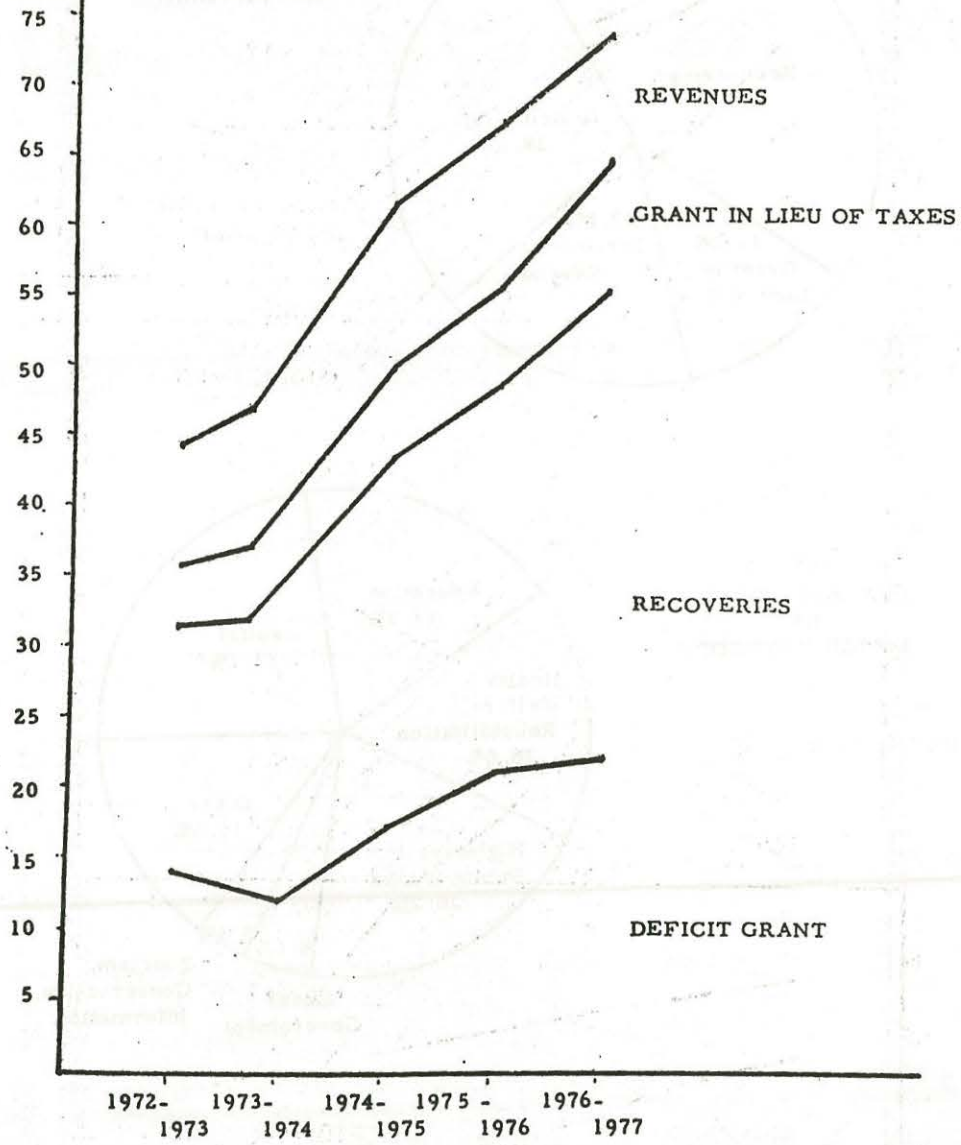


1976-77
EXPENDITURES
BY
MAJOR CATEGORY

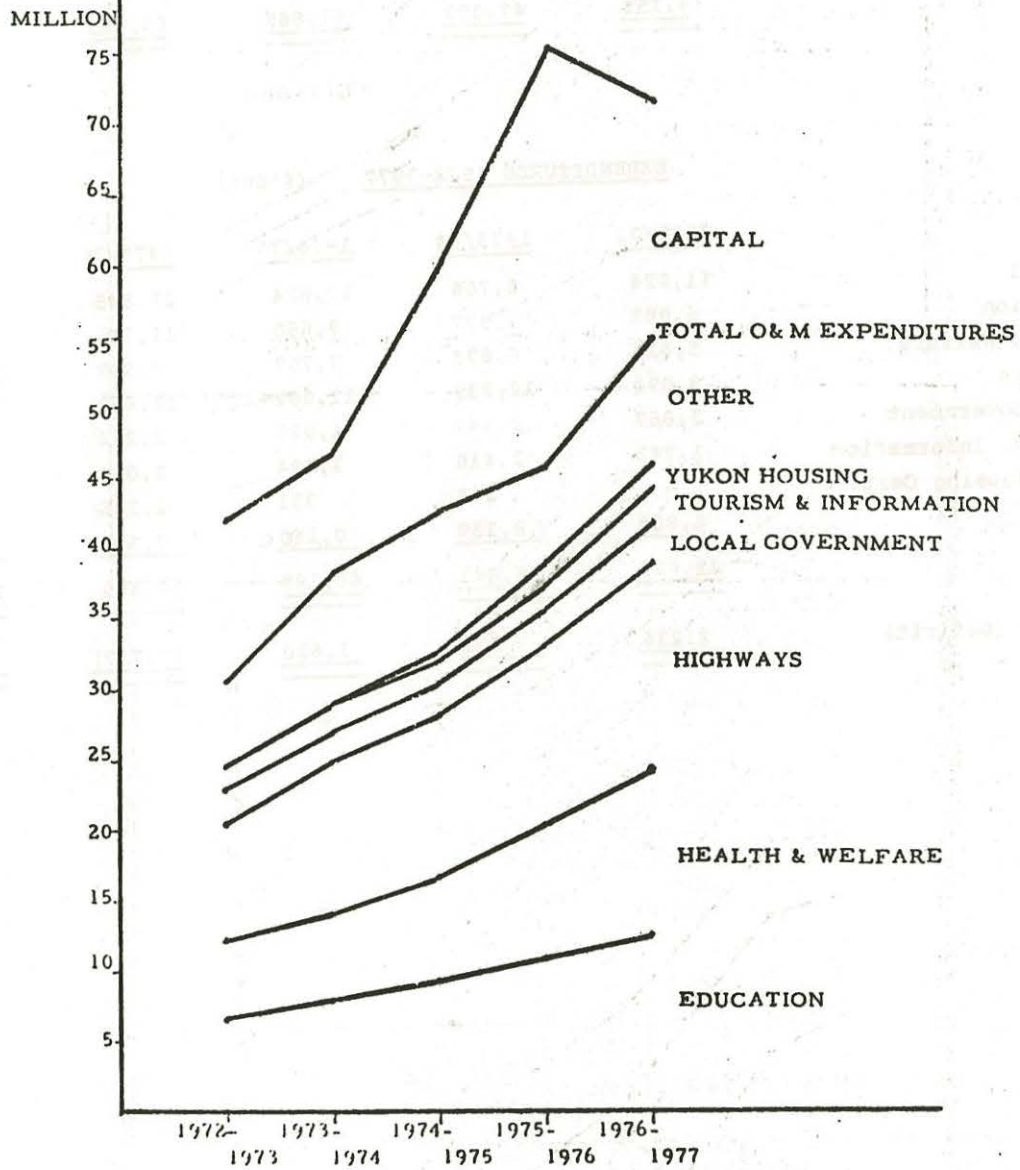


RECEIPTS BY MAJOR SOURCE

MILLION



EXPENDITURES BY MAJOR CATEGORY



RECEIPTS 1972-1977 (\$'000)

	<u>1972/73</u>	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>	<u>1976/77</u>
Revenues	8,163	9,732	11,800	12,552	13,551
Grant in lieu of taxes	3,687	4,637	5,446	6,590	9,241
Recoveries	17,940	20,559	27,203	27,493	33,528
Deficit Grant	<u>14,364</u>	<u>12,464</u>	<u>17,440</u>	<u>21,748</u>	<u>22,530</u>
Total	<u>44,154</u>	<u>47,392</u>	<u>61,889</u>	<u>68,383</u>	<u>78,850</u>

EXPENDITURES 1972-1977 (\$'000)

	<u>1972/73</u>	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>	<u>1976/77</u>
Capital	11,224	8,706	17,624	29,845	16,525
Education	6,983	7,977	9,660	11,719	12,502
Health, Welfare	5,516	6,873	7,709	8,649	11,901
Highways	8,093	10,239	11,002	12,622	14,491
Local Government	2,067	2,349	1,929	2,254	3,360
Tourism, Information	1,242	1,410	1,784	2,054	2,522
Yukon Housing Corp.	-	148	331	1,306	2,039
Other	<u>6,803</u>	<u>9,139</u>	<u>10,160</u>	<u>7,683</u>	<u>8,355</u>
Total	<u>41,928</u>	<u>46,841</u>	<u>60,199</u>	<u>76,100</u>	<u>71,805</u>
Surplus (Deficit)	<u>2,226</u>	<u>551</u>	<u>1,690</u>	<u>(7,717)</u>	<u>7,045</u>

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