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Speaker: The Honourable Donald Taylor

The Yukon Legislative Assembly

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Whitehorse, Yukon Territory
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Mr. Speaker reads Daily Prayer.

Mr. Speaker: Madam Clerk, is there a quorum present?

Madam Clerk: There is, Mr. Speaker.

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

ROUTINE PROCEEDINGS DAILY ROUTINE

Mr. Speaker: The Honourable Member from Klondike.

Mr. Berger: Yes, Mr. Speaker, I'm rising on a point of privilege this morning. This is just to straighten out the record Mr. Speaker. Last year on March 12th, on page 122, I was misquoted in the Votes and Proceedings of saying 2900 hunters. But what I really said was 29 hunters. I'd like to make the point there is not a retraction of my statement, it is just a correction in my statement.

Mr. Speaker: The correction comes a little late but perhaps I could take the matter up with the officers and Clerk of the House and will see if this can be noted. The Honourable Member from Whitehorse West.

Hon. Mrs. Whyard: Mr. Speaker, I have a question of privilege this morning. I wish to correct the record regarding the statement I made in Committee yesterday afternoon, concerning the sudden increase in the price of fuel oil as delivered to my residence in Hillcrest, which I quoted at 89 cents a gallon. All members will realize, Mr. Speaker, I was in a state of shock at the time. However, I have here, for the record a delivery receipt which says 89 cents per gallon.

The only ameliorating circumstances Mr. Speaker is after considerable study we have decided that number is our house number on Sunset Drive. The actual price should have been 55, thank you, Mr. Speaker. Fifty-six whatever.

Mr. Speaker, we are considering moving to number 20 Sunset Drive.

Mr. Speaker: All right order please. Are there any documents or correspondence for tabling this morning? Are there any reports of committees? Introduction of Bills? Are there any Notices of Motion or Resolution? Are there any Notices of Motion for the production of papers? We will then proceed to the question period.

ORDERS OF THE DAY

QUESTION PERIOD

Have you any questions? The Honourable Member from Mayo?

Question re: Northern Roads Committee Report.

Mr. McIntyre: Mr. Speaker, I have a question for the Commissioner. In one of the local papers it indicated that the Northern Roads Committee Report had been submitted and I wonder if the Commissioner could have this report tabled in this House.

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, I am not aware of the actual presence of this report in our hands at this time, but certainly it is a report that is of vital interest to all members of Council and I would be most happy to see that it is tabled as soon as we have it available.

Mr. Speaker: The Honourable Member from Hootalinqua?

Question re: Information Services

Mr. Fleming: Yes, Mr. Speaker, I have a question for the Commissioner which I had a week or so ago, the same one almost because I really didn't get an answer yet. At that time I wanted to know something about information services. I wanted to know how many subscribers they had and what it was costing the territory for that service other than to the media and it was to be brought forth when we went through the budget but I didn't get any answer at the time from the witness.

The witness said that as far as he could remember I had the information, which I haven't got and I don't think anybody else has and he couldn't answer then so I am asking again. Could I get that information?

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, I would be most anxious to see that the Honourable Member's question is answered as fully as it is possible to do so. Just so that there is no misunderstanding between the Honourable Member and myself as to precisely what information he is seeking. I would suggest one of two directions from yourself might help Mr. Speaker.

Either that it be put in the form of a written question, or secondly that the Honourable Member would come and speak with me privately so that we could the precise question delineated.

Mr. Speaker: Perhaps the Honourable Member

could indicate his preference.

Mr. Fleming: I will speak to Mr. Commissioner. Thank you.

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Question re: Leasing of Lake Front Property

Mr. Lengerke: Thank you Mr. Speaker. I have a question for the Commissioner this morning. Mr. Commissioner, are you aware of any change of the Federal policy with respect to the leasing of lake-front properties that would probably effect some 80 to 100 cabin cottage owners at the Marsh Lake main beach area, the Army Beach and the McClintock Bay area?

Mr. Commissioner: Mr. Speaker, I am aware of the fact that discussions along these lines are under way. I would hesitate to say that this is any change in Federal policy. That is the only qualification I would put on it, Mr. Speaker, and if the Honourable Member wishes to give me time on this, I would be happy to bring forth the precise details as best I can determine them as to what is being contemplated and possibly affecting these particular places.

Mr. Speaker: Are there any further questions? We will then proceed to motions.

MOTIONS

MOTION NUMBER 22

Mr. Speaker: We have Motion Number 22, moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Whitehorse Riverdale, that it is the opinion of this House that the Yukon Housing Corporation, together with the Yukon Builders Association, pursue in co-operation with other federal and territorial agencies, the feasibility of establishing a Yukon industry for the purpose of prefabrication and ready-to-move housing structures.

The Honourable Member from Pelly River?

Mr. McCall: Thank you, Mr. Speaker, I have very little to add to this motion. I think it is self explanatory, the reasons behind the motion. And if the motion is passed by this House I would wait with all interest as to the study.

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I can't add any more really to the context of the motion other than the fact that during the discussions of the Main Estimates, we did certainly bring the topic up and I think it was quite apparent that we felt that the Housing Corporation could be a vehicle used to try and promote some industry, some local industry.

As we pointed out many times, the government, the Yukon Government should certainly use every effort

possible to try and do this.

Mr. Speaker: The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I have rather great misgivings regarding this motion. I probably will be supporting it for the simple fact that I haven't anything very precise that I can oppose it on. The general principle of it does give me some misgivings. One can only recall the rather documentary that was on CBC the other night of Newfoundland's enterprising ways of establishing industry for establishing industry sake.

This is what other governments in Canada have done and other federal programs have done, so that they could establish industry. And they find the industry becomes a millstone around their neck. Those of you who saw that short documentary on Newfoundland, can see how much better Newfoundland would have been without industry, than in the position they're in today.

It is for that reason that I do have great misgivings about a general type of motion like this.

Mr. Speaker: Is there any further debate? The Honourable Member from Whitehorse West?

Hon. Mrs. Whyard: My problem with this motion is to determine where the Honourable Members expect the money to come from to pay for such a survey. I must confess I had some problem with whether or not this is, in fact, a financial motion, Mr. Speaker.

Mr. Speaker: I'd permit an answer from the mover of the motion.

Mr. McCall: Mr. Speaker, I don't think that is a great obstacle because when you're dealing with a building association and other parties, I don't think the financial part of this problem as the Honourable Minister just pointed out, I don't think it's going to create a headache.

Mr. Speaker: Is there any further debate? The Honourable Member from Hootalinqua?

Mr. Fleming: Yes, Mr. Speaker, I now rise in support of the motion, and at the same time I do have the same misgivings as the Honourable Member from Kluane. But I will be voting for the Bill because I have seen so much money leave the Yukon Territory in the last few years, for housing that could be well spent at home and used in the Territory. I just have to rise in support of that. That's all I can say for the motion actually.

Mr. Speaker: Any further discussion? Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare that the Motion is carried.

MOTION CARRIED

PUBLIC BILLS

Mr. Speaker: I will proceed to Public Bills. The Honourable Member from Whitehorse Porter Creek?

BILL NUMBER 4 - THIRD READING

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse South Centre that Bill Number 4 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from - could I have the seconder again?

Hon. Mr. Lang: Seconded by the Honourable Member from Whitehorse South Centre.

Mr. Speaker: I do not believe the Honourable Member is in the House at this time.

Hon. Mr. Lang: What are you? Whitehorse West?

Hon. Mrs. Whyard: Yes.

Hon. Mr. Lang: Honourable Member from Whitehorse West that Bill Number 4 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Porter Creek, seconded by the Honourable Member from Whitehorse West that Bill Number 4 be now read for a third time. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare that the Motion is carried.

MOTION CARRIED

Mr. Speaker: Are you prepared to accept the title to the Bill?

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that Bill Number 4 do now pass and the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse West that Bill Number 4 do now pass and that the title be as on the Order Paper. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare that the Motion is carried and that Bill Number 4 has passed this House.

MOTION CARRIED

BILL NUMBERS 5 - THIRD READING

Mr. Speaker: The Honourable Member from Whitehorse Porter Creek?

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that Bill Number 5 be now read a third time.

Mr. Speaker: It has been moved by the Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse West that Bill Number 5 be now read a third time. Are you prepared for the question?

Some Members: Question.

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion is carried. Are you prepared to adopt the title of the Bill?

MOTION CARRIED

Hon. Mr. Lang: Now, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that Bill Number 5 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse West that Bill Number 5 do now pass and that the title be as on the Order Paper. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion is carried and that Bill Number 5 has passed this House.

MOTION CARRIED

Mr. Speaker: The Honourable Member from Whitehorse West?

BILL NUMBER 11 - THIRD READING

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Porter Creek that Bill Number 11 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Porter Creek that Bill Number 5 be now read a third time.

Hon. Mrs. Whyard: Bill 11, Mr. Chairman.

Mr. Speaker: Bill Number 11, I am sorry, be now read a third time. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: Oh, sorry, the Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I believe I have the opportunity, the last chance to speak on this Bill?

Mr. Speaker: Well, I am sorry I had called the question but I think in this case, I will allow the member to debate.

Mrs. Watson: Mr. Speaker, I had my hand up, and I believe I do have the right to speak on the third reading.

Mr. Speaker: After question has been called, that right is gone, but in the interest of democracy and parliamentary responsibility, I will permit the member to speak at third reading at this time.

Mrs. Watson: Mr. Speaker, on the point of privilege in the interests of your eye sight.

Mr. Speaker: U caution the member in her remarks to the Chair. Would she proceed with her debate please.

Mrs. Watson: Thank you Mr. Speaker. It might well be that I confine my remarks or I won't have the opportunity to speak on the third reading. However, I was concerned, very concerned by this Bill by the passage of this Ordinance to amend the Taxation Ordinance.

Mr. Speaker, I do owe the House an apology. I was speaking on the wrong Bill. I thought we were looking at we were speaking on the Resolution. However, I would like one brief comment on this though. The Ordinance to amend the Taxation Ordinance and I supported it and I will support it in the third reading.

However, when we pass legislation like this, we always do adversely effect a small sector, sometimes small, sometimes not so small, sector of our population. I would like to draw the Honourable Members attention to the fact that in this group of people, we will be raising the tax of a lot of the old age pensioners who live in the rural communities in a small cabin, who own their

small cabin, who have been paying taxes anywhere from \$25.00 to \$60.00, \$70.00 a year.

They have been independent. They are, in many instances, being faced with additional improvement costs if there is sewer and water going by their residence and now that we are raising the minimum tax, the level to a \$100.00 we are putting a burden on this small sector of our population, and I don't think any of us want to do that.

Unfortunately the Home Owners Bill, as it is now defined would not provide the assistance to this group of people. They are not the lunch bucket people Mr. Speaker, but they are the oldtimers and a lot of them are the pioneers of this area.

Mr. Speaker: The Honourable Member from Ogilvie?

Ms. Millard: Mr. Speaker, since we have the privilege to speak again on this. I have only begun to really think about this since we talked about it yesterday. And I have the same qualms as the Member from Kluane.

I feel that this taxation, as usual hits the little guy, and hits him really hard. I don't really see that we've been given statistics that show that we are going to be hitting absentee landlords that we were talking about yesterday.

We haven't been given enough knowledge, enough information in the whole taxation package to really understand who we are hitting and who is really the guy who is going to get hit really badly. I have great qualms about passing this minimum tax, because I feel it's discrimination against the little guy who just can't afford it.

Mr. Speaker: Is there any further debate? Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the motion is carried.

(MOTION CARRIED)

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

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Porter Creek, that Bill Number 11 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse Porter Creek, that the title to Bill Number 11 to now pass, or that Bill Number 11 do now pass and that the title be as on the Order Paper. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the motion is carried and that Bill Number 11 has passed this House.

(MOTION CARRIED)

Mr. Speaker: May I have your further pleasure at this time? The Honourable Member from Pelly River?

Mr. McCall: Yes, Mr. Speaker, I move that Mr. Speaker do now leave the Chair. The House resolve into Committee of the Whole for purpose of considering Bills, Sessional Papers and Motions.

Mr. Berger: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Klondike, that Mr. Speaker do now leave the Chair. The House resolve into Committee of the Whole for the purpose of considering Bills, Sessional Papers and Motions. Are you prepared for the question?

question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare that the Motion is carried.

(MOTION CARRIED)

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I call this Committee to order and declare a brief recess.

(RECESS)

Mr. Chairman: I now call this Committee to order. Mr. McCall?

Mr. McCall: Yes, Mr. Chairman, it was brought to my attention by Mr. Gillespie, that, I believe, the film showing on the Parks Policy is now available and it has been suggested that 1:30 would be an appropriate time for us to take in this viewing, if it is the Committees wish, Mr. Chairman.

Mr. Chairman: In the Chambers?

Mr. McCall: Yes.

Some Members: Agreed.

Mr. Chairman: Are you agreeable Mr. Lang?

Hon. Mr. Lang: Well, Mr. Chairman, I really can't see why we should be viewing them in the Chambers when they are having public showings in Whitehorse. We have people working here transcribing here. It is costing the taxpayers money and I just can't see, if a person is interested, they can go to a public meeting and view it.

Mr. McCall: It is approximately 25 minutes long.

Mr. Chairman: Well, what is opinion of Committee on this?

Some Members: Agreed.

Mr. Chairman: Fine. At 1:30 then we will have the showing. We will continue with the Main Estimates. We are now on page 107. Revenue.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, briefly, a point of privilege. I refer to the discussions we had with the Chairman of the Housing Corporation and I refer to the remark that the Minister of Health and Welfare made. "I am not very happy about the comments being made around this table by a number of members who are insinuating that there are people that subsidized housing, who they know full well should not be there.

I would think it was a duty of every member around this table, if they have that kind of information, to pass it to the Housing Authority and to stop sniping from the sidelines."

Mr. Chairman, my point of privilege is that it is our duty in this House to approve and pass legislation policies and programs. It is our duty to provide funding for the enforcement and the administration and the policing of these programs.

It is our duty to assess the delivery of these services and programs to the public, to look for weak points to the programs so that possible amendments can be made in the House. But Mr. Chairman, it is not our duty to police and enforce and report.

Mr. Chairman: What is the point of privilege. It is not our duty to police, administer and enforce programs and legislation of this House.

Mr. Chairman: Tax Revenue. We have completed the property tax yesterday. School Tax Territorial, \$467,023.00. School Tax Municipalities, \$1,105,562.00. Mrs. Watson?

Mrs. Watson: Mr. Chairman, on the school tax, both territorial and municipal, do Crown agencies pay a grant in lieu of taxes, for school taxes?

Mr. Miller: Mr. Chairman, Crown agencies and the Federal Government pays a grant in lieu of taxes as set by the Taxing Authority, which includes the school tax.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I will have to bring up this question again. I asked it the other day. The Crown land that the Federal Government has in reserve for Indian people in Indian communities and in villages, do we receive a grant in lieu of taxes on that property?

Mr. Miller: Mr. Chairman, those properties that are on the tax role are - we receive a grant in lieu of taxes on them.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, further, are these properties on the tax role,?

Mr. Miller: Yes, Mr. Chairman, where we have found them, they are on the tax role, as are all other properties .

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I am not satisfied with that. I had a sheet from the Minister of Local Government the other day defining the revenue we receive from various communities and one of them is Burwash and the revenue we received from the Community of Burwash, I believe, was four hundred and some dollars.

Now, it is quite evident to me, we are not getting grant in lieu of taxes from the Federal Government for that community. That \$400.00 must be for the one business and the one residence in the community other than the land that the Indian Affairs has reserved for the village.

Mr. Miller: Mr. Chairman, we don't break out our grant in lieu of taxes by community. It's assessed and it's paid in one lump sum by the Federal Government. So to be precise, in that particular statement that was handed out, what we're talking about there is the taxable assessment, not the grant in lieu of taxes.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, this is the point I'm making. There has been some statistics thrown around here lately. For example Haines Junction the revenue from taxes is \$6,000.00, but what is the total revenue including the grant in lieu of taxes, which municipality. I don't like these statistics being used in one way to suit a certain argument and another way to suit another argument.

I would like to have more specific information on how much of this land the Federal Government is really giving us, a grant in lieu of taxes for. My understanding in the Indian communities we provide local government services, which is fine. They are communities in the Yukon Territory. But how much money are we getting from Indian Affairs for providing this local municipal service. It is very minimal and incidentally I don't think it's worth another 10 mills. But it's still a service and how much are the feds paying for us in lieu?

Mr. Miller: Mr. Chairman, we'll have to dig that information out.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: It's okay Mr. Chairman, the Honourable Member from Kluane asked my question.

Mr. Chairman: Fuel Oil Tax \$3,600,000.00. Mrs Watson?

Mrs. Watson: Mr. Chairman, I hate to flog this but why is there such a substantial increase estimated this year?

Mr. Miller: Mr. Chairman, our estimate for this year is now three point four million dollars versus our original estimate of three million five hundred and fifty thousand. And looking at next year, my guess is that the three point six million that we're showing is going to be not achieved because of the drop off of the truck traffic on the highway.

Mr. Chairman: Heating Oil Tax \$80,000.00. Fur Export Tax \$3,000.00. Insurance Premiums Tax \$115,000.00. I'll introduce Bill Number 7.

Bill Number 7 Introduced

Mr. Chairman: One, one. (Reads Clause 1. (1))

Mr. Chairman: Two, one. (Reads Clause 2. (1))

Mr. Chairman: Three, one. (Reads Clause 3. (1)).

Mr. Lengerke: Thank you, Mr. Chairman, could the witness tell me how will the government determine or ascertain which insurance companies are actually writing in the Yukon? How do you go about this?

Mr. Miller: Mr. Chairman under the Insurance Act of Canada every insurance company writing in Canada must report annually the amount of insurance that they have written in each province or territory.

Mr. Lengerke: Mr. Chairman, further to that is there not a problem with extra territorial agents that do write in the Yukon without even the knowledge of their parent companies? There is, I believe, some problem with this regard. How do you police that?

Mr. Miller: Mr. Chairman, the onus in this case is on the insurance company not on the agent to remit this tax.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Does this also relate to the B.C. insurance scheme?

Mr. Miller: Sorry, Mr. Chairman, is the Honourable Member referring to automobile?

Hon. Mr. Taylor: Yes.

Mr. Miller: I.C.B.C., Mr. Chairman, don't write insurance in the Yukon.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, in fact they do. They write insurance on commercial vehicles.

Mr. Miller: Mr. Chairman, they might be writing insurance on vehicles that are coming into the Territory, but they wouldn't be writing insurance on vehicles that are registered in the Territory.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, I do believe that is incorrect. I'm under the understanding that vehicles that travel, for instance, between the Yukon and British Columbia, if they are registered in either I.C.B.C. or in the Yukon Territory with insurance, that either way, as long as proof of insurance is there, they are eligible to operate. In other words they're not forced to have their insurance written in the Yukon.

Therefore in some cases commercial operators do obtain insurance from I.C.B.C. and the premiums would be paid to them and they would be licensed in the Yukon.

Mr. Miller: Mr. Chairman I am not aware of that situation, but we will certainly look into it and insure that if I.C.B.C. is writing insurance in the Yukon in respect of Yukon Licensed companies and vehicles, that they will pay the premium.

Hon. Mr. Taylor: I would rise quickly to state that I would like to see no change in that arrangement, however, I would like to ensure that if this bill is indeed carried that we recover from I.C.B.C. anything that they do write in the Yukon.

Mr. Miller: Mr. Chairman, we can't change it but I.C.B.C. is a provincially incorporated company with no extra territorial provisions, so if they are writing insurance in the Yukon, Yukon registered company vehicles they are breaking their own law.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, those comments just bring up further concern from the witness' original comments that I have about - am I to understand that the parent company, who have branch offices here, give us the information about how much money is being taken from the territory in insurance, and we just rely on their say so, we don't have any inspection or any official who looks into their books in the territory to see how much is going on, is that true?

Mr. Miller: Mr. Chairman, as I indicated the Insurance Act of Canada, handled by the Superintendent of Insurance of Canada is responsible to collect the data from all insurance companies writing in Canada where they are writing and how much premiums. They have inspection provisions. You will find later on in this Ordinance there are inspection provisions within the Ordinance

so that we can, in fact, inspect.

Mr. Chairman: Ms. Millard?

Ms. Millard: Are we going to inspect then with the officers that we have now, the licensing people or are we going to establish another system.

Mr. Miller: Mr. Chairman, the intention is that we would use either our internal auditors, our tax administrator within treasury, or the inspection branch of the Territorial Secretary.

Mr. Chairman: Mr. Berger?

Mr. Berger: Thank you Mr. Chairman, at one glance the tax sounds really good, but I am referring to all the members Motion Number 7, which we have in front of us, which queries the severe increases in insurance rates. I am wondering if there is any figures available and what it will do to people buying insurance in the territory?

Mr. Miller: Mr. Chairman, my understanding is that this tax has been collected in the provinces for a number of years. If you take out an insurance policy in the Yukon, particularly with reference to life insurance, your premium rate is identical to that which would apply in the province, so I might suggest that the insurance companies have been making, from the Yukon, considerable sum of money over the years.

Mr. Chairman: Mr. Berger?

Mr. Berger: Thank you, Mr. Chairman. But the possibility exists that the rate will go up because of that two per cent tax right?

Mr. Miller: I am led to believe, Mr. Chairman, that that is not the case, it will not go up because of this tax?

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, that was, roughly the question asked by the Honourable Member from Klondike, was mine. You know, if we talk about the fact that we in the Yukon pay a twenty five per cent surcharge on fire insurance, which this House from time to time asks the reason why, and we simply receive the reply that this matter was confidential. We pay twenty five per cent over what you pay British Columbia for fire insurance, so already we are paying pretty high premiums in terms of fire insurance. How great an effect, was going to be my question, would this have on the average person's premium? Certainly they are going to pass this along to the premium holder, the client and the customer. It will be the people in the Yukon who will in effect pay this. This just gives the insurance company the opportunity in raising the premiums a little higher than what they are attempting to recover in order to pay the government, that is obvious. I am just wondering if the government could forecast what percentage of increase, in fact, that the insurance companies will levy upon the people of the Yukon as a

(Reads Clause 8)

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just a question. Mr. Miller, in the case of an insurance company based in British Columbia and they might send, in this case they would probably have an agent operating in Yukon on a non-scheduled basis, in other words he's just up here once in a while and he writes some insurance. Your inspectors or it come to fore that they are writing this insurance and you want to do an inspection of their books. Is the authority here for our inspectors to inspect that particular company's books?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, that becomes a very difficult situation unless the company is prepared to allow us to inspect their books. Now there is, if you wait for just a minute, there is further provision here if they don't allow us; then we can cancel their licence in the Yukon. But normally, and this applies to all of our taxation provisions, normally these companies are very co-operative and will allow us to do an inspection. If they don't there are two provisions: (a) the agent, who is coming here, can on summary conviction be fined or imprisoned and (b) we can cancel the licence of the company in the Yukon.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Supplementary to that. My problem was, that is we have certainly been talking about it, is that while that company is licensed in B.C. it's not licensed in Yukon; they still send an agent up and they pick up the good kind of business. They pick up the gravy, the premium business, and this is a known fact. And this is my point: how do you control that? In other words, your local agents, your local companies who are registered in Yukon, fine, they come under all the provisions of this particular Ordinance and yet the company that comes up and picks up the gravy business so to speak, it's a little bit difficult to nail them. I think this is the whole point of many of the questions raised. I think what we'd like is some further insurance that you know we're going to be able to, no, we don't want any further insurance, that we do have a handle on this.

Mr. Miller: As I have indicated, the insurance companies are normally very co-operative in this fashion. If they aren't we only, at the present time, have two ways to get it: one, the agent when he is in the Territory through the courts, or (b) by cancelling the licence and the ability to write insurance in the Territory because don't forget they will have the Insurance Ordinance to deal with.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just again, I must try to get to an example. If in fact we have somebody writing insurance up here, from out of Territory, and one of the local agents is aware of this and he came to our department

who is responsible and said, listen we are aware of Joe Blow writing insurance up here. Okay, what action then can be taken?

Mr. Miller: Under the Insurance Ordinance, and I would have to go and check the details, but it is my understanding that an agent coming into the Territory has to acquire a licence to sell insurance.

Now, if they don't and they are caught, there are provisions in the Insurance Ordinance that take care of that particular situation.

Hon. Mr. Taylor: Yes, just a general question that arose from something that was said earlier about the exclusion, from this Ordinance, of marine people and I was thinking more particularly of the White Pass boat operation: does this mean, then, that the railroad operation of the White Pass and Yukon Railroad would also be excluded from the provisions of this Ordinance inasmuch as it is under a Federal Act?

Mr. Miller: Mr. Chairman, I am afraid I don't know that specific-- the answer to that specific question.

Mr. Lengerke: Mr. Chairman?

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Miller, what are we doing then with respect to the control or the enforcement, the licensing enforcement of insurance agents? Are we going to make some amendments there, are we tightening up on that?

Mr. Miller: Mr. Chairman, we are currently in the process of completely rewriting the Insurance Ordinance which we would hope to have ready later this year, probably for the fall session, and it will be a complete rewrite.

Mr. Chairman: I think, Mr. Miller, the only times the insurance companies are co-operative in the Yukon is when they are increasing the premiums.

Mr. Miller: I might suggest, Mr. Chairman, that's the case right across Canada today.

Mr. Chairman: Clear? Mr. Berger?

Mr. Berger: I just would like to refer back to what the Honourable Member from Riverdale has said about the licences and the revoke licences. I could possibly see a situation arising which we had in the Yukon over 20 years ago. There was only one single agency up here and most of the insurance was actually written in Alberta and B.C. by foreign insurance companies and I could possibly see this going back again. They are going to get the business anyway because, by law, you need insurance on a car or something like this. I could see this situation arising if they don't want to be co-operative.

Mr. Miller: Mr. Chairman, I think I would suggest that the agents would like to be very co-operative because it happens to be a fairly lucrative business.

Mr. Chairman: Clear?

Hon. Mr. Taylor: Mr. Chairman?

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: I didn't get an answer to the question I had asked respecting the exclusion of the White Pass Railroad and I am wondering if the witness could get me this information. Also, I am thinking in terms of Canadian Pacific Airlines. I am thinking in terms of N.C.P.C. I am thinking in terms of Canadian National.

Are these major corporations paying insurance and big insurance in the Territory, going to be contributing to the Territory or is it simply the little guy again that's going to take the brunt of this?

Mr. Miller: Mr. Chairman, I will try and get the answer to this question.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Nine, one.

(Reads Clause 9(1))

Mr. Chairman: Clear? Ten, one.

(Reads Clause 10)

Mr. Chairman: Clear? Eleven, one.

(Reads Clause 11(1))

Mr. Chairman: Clear? Mr. Lengerke?

Mr. Lengerke: Just before we get further on this, Mr. Chairman, I am really concerned about the enforcement, or the strengthening, of the licensing procedures in relation to this as I said earlier. I again ask the question, when is the timing on the amendments to the licensing with respect to insurance agents and insurance companies?

Mr. Miller: Mr. Chairman, the-- I have seen the first draft of a revised Insurance Ordinance. It's about that thick and, as far as I know, the timing will be to place that before the House this fall.

Mr. Lengerke: This fall.

Hon. Mrs. Whyard: Mr. Chairman, it is also my understanding that portions of the draft legislation should be discussed with representatives from the companies involved so that they will have input.

I would like to ask, Mr. Chairman, clarification again on the point regarding passing on this proposed tax to the customer. It's my understanding that the rates applying in the Yukon are not set by the local agents of any company. They are set by head office. So, we would require assurance of some kind from the head office involved as to whether or not this tax was going to

be an increase in local premiums.

Is that the kind of assurance that Mr. Miller is giving us?

Mr. Miller: Mr. Chairman, in following our normal practice, we don't discuss legislation of tax matters, prior to them being introduced here, with companies but we have discussed this matter with the Insurance Superintendent of Canada and he has suggested to us that there should be no change in the premiums applied in the Yukon Territory as a result of the introduction of this tax.

Mr. Chairman: Clear? Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, I have my doubts about any legislation of this type for the same reason I have so many doubts about so many other Bills that have been brought in here. I can't see where this one isn't going to hurt everybody in this Territory again and do absolutely nothing as far as good to the Territory's concern, except gather some more money. I realize this is a wonderful thing to have but it's going to be paid for by the people.

I haven't had any assurance here today that it's not going to be paid for by the people because there is-- possibly somebody talked to somebody or somebody thinks that it is not going to happen, but if you just face the bare facts, they are not going to give somebody 2 percent and not get it back. If they are going to give it to this government and we are going to buy the insurance, we are certainly going to pay for it.

There is no question about that at all in my mind. I have my doubts as to whether this Ordinance is really going to do any good and I think it's a very sore spot to say, and especially to the government at any time, that they bring forth some regulations and handle our own insurance, possibly, in this Territory.

I think in the future someday we will be looking at it and this is just giving an insurance company a gun at our back. It's like going down the street and holding up your friend and then handing him the gun and saying, go get your money back somewhere else. It is exactly the way it is.

Mr. Chairman: Well, you are suggesting, Mr. Fleming, that the government consider looking at another I.C.B.C.? Mr. Fleming?

Mr. Fleming: No, Mr. Chairman, because I.C.B.C. probably hasn't been handled the way it should be. I can quote our Medicare and I can quote our Compensation and a few things that have been good in this Territory, and I might be looking at it as a business person, in many ways, because these companies are not here because they are not making money. They gave us that impression when they had compensation.

They were doing us a wonderful favour. I can remember well going and speaking about it to them and oh, yes, we were getting a favour. But when we took it over, it hasn't changed so much. I don't think anybody can really say that we are losing a lot of money over it and I don't see why maybe we couldn't look into the other situation too.

Mr. Chairman: Thank you, Mr. Fleming. Mr. Miller, you wish to—

Mr. Miller: Mr. Chairman, with response to the Honourable Member's comments regarding increase. I think the best example that I can give is that this 2 percent tax will apply to all insurance, but one of the major insurance underwriting in Canada is life insurance and, regardless of where you live in the country, your life insurance premium is not based on the fact that you live in the Yukon. It is based on your age and your mortality statistics.

So, I submit to this House that the majority of this tax is already being collected from life insurance premiums in this Territory and is going directly into the insurance company's pocket.

Mr. Chairman: Thank you, Mr. Miller. Ms. Millard?

Ms. Millard: Mr. Chairman, I would just like to point out that it is awfully ironic in these times of Federal guidelines and where we are only allowed a 10 percent increase in most areas, that the minimum tax which we passed today increases by 400 percent in most cases, and the 10 mill increase is at least a hundred percent in the increase, and here we are with a little 2 percent on insurance companies.

I think we really should start thinking about our priorities in this House.

Mr. Chairman: Thank you, Ms. Millard. I will just read this last sub-section and hand it back to you, Mr. Hibberd. Clear on 11.1?

Some Members: Clear.

Mr. Chairman: Twelve, one.

(Reads Clause 12(1))

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I was just going to ask one more question. Mr. Miller, how long has this insurance tax been in effect in the provinces?

Mr. Miller: Mr. Chairman, I don't have any knowledge of how far back it goes in all provinces. It has been around for at least five years to my knowledge and it is applied in every province and in our other territory.

Hon. Mrs. Whyard: Then, Mr. Chairman, a supplementary.

Mr. Chairman: Yes, Mrs. Whyard?

Hon. Mrs. Whyard: Why has it taken us five years?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, when we're looking for tax revenues, we keep looking for everything we can that we can get away with without socking the guy in the

street and this particular one hasn't come to our attention until this last year.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, I'd just like to point out to the House that Mr. Brian Stanhope is in the Gallery. Could I —

Mr. Chairman: Would you wait until Mr. Hibberd has taken the Chair.

Mr. Lengerke: All right, all right.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I was wondering. The witness mentioned life insurance involved, what other insurances. Are there breakdown figures available to this House of how much is derived from the life insurance. I figure roughly there is a six million dollar business derived in the Territory by insurance companies. Could we have a possible breakdown on different insurances and how they apply to it?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, we would have to dig up those figures. I'll attempt to do that for the Honourable Member.

Mr. Chairman: Thank you, Mr. Miller. If there is no further questions I would like to now hand the Chair back to Mr. Hibberd. Mr. Hibberd?

MR. HIBBERD BECOMES CHAIRMAN

Mr. Chairman: Thank you, Mr. McCall.

Mr. Chairman: As Mr. Lengerke was mentioning, Brian Stanhope is a representative of the Yukon Insurance Agents and is in the Gallery this morning and wishes to present a brief to Committee, if it is agreeable with the Committee.

Mr. Taylor?

Hon. Mr. Taylor: Yes, I was thinking in light of the time, Mr. Chairman, perhaps this could be done this afternoon following our film. I imagine there will be many questions and it would be difficult to, in the light of five or ten minutes, in that space of time have any meaningful conversation, if that would be agreeable.

Some Members: Agreed.

Mr. Chairman: Well, then, if that's agreed then. Mrs. Watson?

Mrs. Watson: Mr. Chairman, may I ask a question on 12 before we leave this? This Ordinance shall be deemed to have come into force on January the 1st, 1976; can we bring retroactive legislation legally?

Mr. Miller: Yes, Mr. Chairman, you can.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Further to my question, now for example this is a money bill so we're deeming it to come in force at the first of the year. What if we made an amendment, say, to a piece of legislation, possibly the Games Ordinance, and we could say deemed to be in force three months ago? Can we do that?

Mr. Chairman, I would hope this House never passes any legislation like that. That would be terrible of them. I could tell you some stories about what could happen.

Mr. Miller: Mr. Chairman, I think for clarification of the member: you can pass retroactive legislation but the courts would not honour it. If there was a situation arose, and I think this is what the Honourable Member is referring to, if a situation arose and then the House passed legislation to try and capture that situation, retroactively, the court would not honour it.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Further, what if an insurance company said, well we're not going to pay from January the 1st, we're going to pay from April the 1st and you took it to court?

Mr. Miller: Mr. Chairman, taxation year is defined as being calendar year, that's why it was made retroactive to January one. This tax would become payable by February 28th in 1977.

Mr. Chairman: Mrs. Watson?

Mr. McCall: We're coming back to this same Bill this afternoon, I see no reason why we don't recess.

Mr. Chairman: Then I would suggest that we recess now until 1:30.

(RECESS)

Mr. Chairman: I will now call this Committee to order. We will continue with our discussion of Bill Number 7 and we have with us as witness Mr. Brian Stanhope who is a representative of the Yukon Insurance Agents. Mr. Stanhope?

Mr. Stanhope: Thank you, Mr. Chairman. Do you mind if I sit, I'd feel more comfortable because I'm awfully nervous. Treat me very gently.

Now somethings I have to make clear. I'm here not as a representative of any insurance company at all, but I'm basically here in the best interests of my clients and on behalf of the other agents in the Territory.

I've 15 years experience with insurance companies and 4 years as a broker, or agent, so I have a fair idea of the difference between the two. Now one thing I'd like to make very clear before I go any further is that there is a difference between an agent, an insurance agent and an insurance company.

Now there are two types of agents in the Territory. One of whom is an agent for an life insurance company.

He writes insurance solely for that one company by whom he's employed. That's a life insurance agent. The other agents represent any number of companies, it could be one to ten, but they're not paid by those companies, except by commissions. But they could represent any number of companies at all.

Mrs. Whyard made a remark this morning about not approaching the local agents concerning increases in premiums but to go to the head offices. It would be no use of going to the head office of my company in Toronto because they have no more control over the insurance premiums than I do. You would have to go to the head offices of the insurance companies, not the insurance agencies. So there is a difference there.

I'd like to also confirm what Mr. Miller said this morning, that life insurance premiums are not affected by the Territory in which you reside, by in large. In other words a Yukoner would pay no more for life insurance than a B.C. resident. There's no problem with life insurance. I don't think there's any axe to grind there.

Now I haven't had the opportunity to talk to a lot of insurance companies or I haven't had replies from a lot, but I have spoken to one or two. By and large the insurance companies are not too concerned about the two percent tax. They're not really all that concerned. However, I did speak to one insurance company who said that they would, in all likelihood, pull out of the Yukon all together and not write any insurance in the Yukon.

Now this presents enormous difficulties as you probably know there are very few insurance companies who will write any type of insurance in the Yukon. And if any more pull out, it's going to leave us in a very difficult position. People are going to go under insured and not properly protected. The fire waste is going to be abhorrent in the Yukon.

A fire waste remember is a direct cost against the Territorial Government if there is no insurance company to clean up that fire waste. So as I say one company has already indicated to me that they will pull out if the tax goes through.

Now also I notice in the Bill under Clause 5. (1), that the insurance company is liable to pay a tax pursuant to Section 21 (1) of the Fire Prevention Ordinance which is normally called in the other provinces, the Fire Marshall's Tax.

It's what it is normally called. It is commonly referred to as a fire marshall's tax. We pay -- at 1 percent, we pay the highest fire marshall's tax of any place in Canada. There are other provinces that also pay 1 percent, but there are a lot of provinces that don't pay any fire marshall's tax. I would suggest to you that if -- or I would suggest to the House that if we are going to impose a 2 percent tax on insurance premiums through insurance companies as a whole that perhaps some consideration could be given to the dropping of the fire marshall's tax.

It would certainly be more palatable for the insurance companies, but that's right off the top of my own head. I am not speaking for the insurance companies or even for the agents. That's just a thought of my own. The next point here is the policing or this Ordinance. Now, I think we are going to run into a lot of problems here. Does the House have any idea, for instance, how

many insurance companies write insurance or do business in the Yukon? Do you have any idea which agents represent those insurance companies? Do you have any idea how many non-Yukon or extra territorial agents represent extra territorial insurance companies in the Yukon?

Now, there are going to be changes in the Insurance Ordinance, which will help to control these factors, but how are you going to find out who is here and who isn't here? It's extremely difficult problem. Take the case – and I wish Mr. McCall was here – take the case of Cyprus Anvil, whose insurances are handled by an insurance broker in Los Angeles through insurance companies in California. Are you going to be able to impose a tax on those? Not only extra territorial. They are not even Canadian companies. The large proportion of fire business is done outside, not just outside of the Yukon, but outside of the country.

This is going to be the hardest – this is going to be extremely difficult and I would like to be able to find out from you, if I possibly could, how you are going to police this Ordinance. Basically, that's all I have got to say about the 2 percent tax. If you want to ask me any questions, I will try and answer them. I can't guarantee the accuracy but I will try and answer the questions and I know that somebody is going to pop up with the exorbitant rates in the Yukon. I am quite sure.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Yes, Mr. Chairman, I have one question in regards to actually how many insurance companies are actually operating in the Yukon. First you say – you inferred that one or two are thinking of pulling out if the tax is imposed, and then you ask the question, do we know how many people are actually operating in the Territory.

Mr. Stanhope: I don't know. From my own point, the maximum number of companies that we have ever had, is about six, generally. However, I have been able to get as many as seventeen insurance companies on one particular policy. That means they take very, very small percentages and two of those would be contracts that we have at Lloyd's of London and various other contracts that we have of our own. I have got as many as seventeen, but under normal circumstances, if you are talking about domestic insurances, then there would be, at the very maximum, six insurance companies in the Yukon right now out of a total of over 200 in Canada.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Supplementary, Mr. Chairman.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Supplementary, Mr. Chairman. Apparently, as far as I can make out, you are saying, that the Yukon overall for any insurance companies is a very undesirable place to insure.

Mr. Stanhope: It would appear so, yes.

Hon. Mr. Lang: Well, could you give me reasons for that?

Mr. Stanhope: I didn't really want to get into the rate making business at all. I will try and give you some of the reasons why insurance premiums are expensive here. I have heard talk about the Canadian Underwriters Association which is a disbanded organization and has now been taken over by the Insurance Advisory Organization. This is the official rate making body of all insurance premiums in Canada.

However, of the 200 of so insurance companies in Canada, only 46 belong to the official rate making organization and it will surprise you to know, what happens here in this rate making organization is those companies which are members of what used to be called a tariff, submit details of their premiums and losses to the rate making organization who then calculates equitable premiums. They can abide by those rates or premiums or they can charge more or less depending on exactly how they feel.

Now, the big problem here is, of those 200 companies in Canada, we have a mere six or so in the Yukon who are producing statistics to the rate making organization. You can never have equitable rates until there is a representative proportion of insurance companies in the rate making organization. I don't see how we ever possibly can.

Again, we have a problem here. I have heard that mining is our biggest industry. It may be the biggest industry dollar wise but government is the biggest employer in the Yukon Territory. We all know the government don't insure their properties, either government, and that means that the insurance companies don't get any statistics from the government concerning fires or the amounts of money that they put into their fund to pay for the losses on those fires.

So, it is difficult again for the insurance companies here to find out what equitable rates might be based on the total number of fires and the total premiums in the Yukon because they are only getting a small proportion of the premiums and losses shown to them. Again, I will restate the position over Cyprus Anvil and some of the other mines, where any statistics they may have will go directly to their insurance companies. The rate making body may never find out. In fact, the Canadian rate making body has no jurisdiction in the U.S.A. as you can appreciate.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, supplementary once again. I still don't think I got my question answered. What I asked is how come the Yukon is an undesirable place for insurance companies to come?

Mr. Stanhope: Because there are not enough premiums to cover the losses basically, if that's what you want to hear.

Hon. Mr. Lang: That's it.

Mr. Stanhope: But there might be if some premiums all went to the rate making body, to the I.A.O.

There may be enough premiums in the Yukon to pay the losses but as far as the I.A.O. Companies are concerned, they are not getting enough premiums to cover their losses, if you see the difference.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Yes, Mr. Chairman, I have two or three questions, if I may be permitted. My first matter of concern, of course, involves the information perhaps that, for instance, Cyprus Anvil insure in the United States outside of the jurisdiction of Canada and would not then be effected by this particular Ordinance. It occurs to me though at the same time that some years ago there was a massive fire caused by a forest fire in the development or during the development stage of the Cyprus Anvil situation and not withstanding that the Canadian Underwriters or whatever you want to call them were concerned, those figures showed in the report of the fire marshal as a fire loss in the Yukon Territory and as a result of this, all our fire rates and we were told that our insurance premiums went up on that occasion and this interests me because if indeed it is of no consequence to Canada, why should we in the Yukon be penalized for something by the Canadian Underwriters of Insurance when in fact they are not even involved in the thing. That would be my first question and I have a couple more, Mr. Chairman.

Mr. Stannope: Right, I'll answer that one then. At the time of the Faro fire loss, the loss was about two million dollars, that whole construction, that was during the construction of the Faro townsite. The construction of the Faro townsite was undertaken by a contractor, not by Cyprus Anvil. The construction costs and the construction insurance premiums were paid to Canadian Insurance Companies and in fact Canadian Insurance Companies paid the two million dollars out on that loss.

My remarks about Cyprus Anvil are directed to the present circumstances as an operating mine, not as a course of construction project. Not as a construction project. As a construction project it was built by somebody else and not by the mine itself and they were insured in Canada. I worked for one of the insurance companies that made a pay out at the time.

Hon. Mr. Taylor: My second of my three questions relates to the question in the Territory of improvements. Now I know through this government we have gone to great extent in developing sewer and water systems, water systems, hydrant systems. We certainly upgraded our fire fighting facilities and our response facility to the extent that we think that we have in fact reduced the probability of fire loss, greatly. Why is this not reflected by the joint insurance companies in terms of premiums to Yukon insured?

Mr. Stanhope: Two answers really to that question. The first part is are you talking now about Watson Lake?

Hon. Mr. Taylor: I'm talking about anywhere in the Yukon, Riverdale, Watson Lake, anywhere there are

improved facilities.

Mr. Stanhope: Can we take Watson Lake first of all? About 18 months ago I did a survey of the fire protection services in Watson Lake which at that time were pretty niggardly. But at that time too they were beginning to put hydrants in and G. E. had a contract there. Since that time I have submitted a further survey to the Insurers Advisory Organization and they have requested plans and so on.

There will be reductions, at least I hope there will be reductions in rates in the Watson Lake area as a result of those fire fighting facilities.

Now to take this area the greater Whitehorse area, in 1972 when the City expanded its boundaries the insurance rates, domestic insurance premiums in this area dropped. And I can produce figures to verify that. They did in fact reduce when the City expanded its boundaries. There was a hue and cry in the paper you'll probably remember in 1973 that the people in Porter Creek felt that they were being hard done by when the people in Riverdale and downtown Whitehorse had a reduction in their fire insurance premiums, but the people in Porter Creek didn't.

In fact that was an erroneous report in the newspaper and the people in Porter Creek did get a reduction in their fire insurance premiums. There was a reduction because of the fire fighting facilities. Conversely there was no increase because of the dropping of fire fighters last year by the City.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Yes, I thank the witness for the information. A third question is one which probably causes concern to many people particularly in the outlying districts but no doubt as serious here in Whitehorse. The witness did, Mr. Chairman, indicate that with the passage of this piece of legislation that perhaps at least one company, insurance company would pull out of the Yukon and not write policies in the Yukon. I would be interested in knowing which one that is. In addition to that I found myself personally involved in insuring a trailer last fall. I went to an insurance agent in Whitehorse and I said look what's your advice, what do you think I can do to insure my trailer for you know \$25,000.00 or whatever the figure was. They came out with two books and they said well look at this company will insure you comprehensively for a hundred dollars premium. You will get fire, theft and liability.

But now we have the other company who will insure you for the same coverage for the same amount for \$255.00 so the immediate reaction is what's the difference. Why the difference of \$100.00 to \$255.00? And I was informed only that well you can insure with this party who will give you the \$100.00 premium and but you can never be sure that somewhere during the course of your agreement or your year, that they may up the premium and the other one's more stable. Why do the joint insurance companies permit this? Why is there no, I mean, could you explain to me why this type of thing occurs is what I'm getting at and also could I know which group is going to pull out, if this Bill is passed?

Mr. Stanhope: First of all I can't tell you the group that might pull out. That's confidential information which was disclosed to me on the telephone not by letter, so perhaps they won't pull out and it would be unfair of me to mention any names.

Secondly, as far as the rates are concerned, I have absolutely no idea. I tried to point out when I first came in the room that I don't work for insurance companies, I don't set the rates. I sell my insurance on the rates that are provided to me. If one insurance company has adverse loss experience in the trailer business, they would charge higher rates than a company that has had better experience. That's all I can tell you about that. I don't know why there should be such a disparity in the rates. Believe me, I have tried to find out but I don't know.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Just as a final concluding remark at this juncture, Mr. Chairman. I only hope that when the Administration are considering and writing this new legislation on fire insurance that such matters as I have raised today will be taken into consideration and account and I thank the witness.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Well, we have wandered rather far afield, Mr. Chairman, since I thought of the question but if you could go back a little and ask whether or not it is quite true that in most of the provincial jurisdictions, there is—insurance premium tax is an accepted thing.

Mr. Stanhope: Yes.

Hon. Mrs. Whyard: And that being granted then, why would it be so discouraging when applied in the Yukon?

Mr. Stanhope: I think, as I have pointed out, of the people I have spoken to, there has only been one objection. Basically, there doesn't appear to be an objection from any insurance company. I can't speak for them but there doesn't appear to be an objection from the insurance companies, only with one exception and that's not a very large writer in the Yukon. We needn't get concerned that our houses will go uninsured because they don't insure houses.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I must be awfully naive because I sure never heard about the Insurance Advisory Organization before and I would really like to know more about it. I understand that in Canada, in a free enterprise system, that companies aren't allowed to make cartels and to sit around and decide what prices are. Why have they gotten away with this without being investigated under the Combines Investigation Act?

Mr. Stanhope: Oh, they have been investigated.

Ms. Millard: They have been investigated. What is the result?

Mr. Stanhope: Oh, the result was a negative result, a totally negative result. I think I pointed out to you before but you probably weren't listening. Only 46 out of 200 insurance companies. That's not a cartel. It's not a cartel.

Ms. Millard: Well, it depends on the size of the companies.

Mr. Stanhope: Some of those are pokey little companies, believe me. 46 out of 200 does not make a cartel and they only set advisory rates. You can either abide by them, you can go higher or you can go lower but that's not a combine. They are advisory rates only.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Well, Mr. Chairman, I sympathize with anybody in the business of selling insurance with the rates set somewhere else in the Yukon these days because I know that my insurance agent that I have dealt with for years was almost in tears when she told me the damage that was going to be done as far as my insurance was this year.

I would like to ask Mr. Stanhope if the information that we were given is essentially correct, that the insurance premium tax has been in effect in the provinces for some number of years and people who do have life policies in the Yukon have essentially been paying that premium to the insurance company over these years and they have almost had, well, for lack of a better term, kind of a windfall profit from the Yukon over these years.

Mr. Stanhope: Exactly. I am in total agreement with you. I think the insurance companies have had a discount of 2 percent or whatever it is for a number of years and that they have been able to operate on a larger profit margin than they could have done in the Province of B.C., for instance. No, there is no particular objection that I can find to the tax at all.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Thank you, Mr. Chairman, I think even the discussion before lunch just really comes to this point that the companies or the agents are really not concerned with the 2 percent, as you have said today, but really are concerned with the policing of this particular Ordinance and we have heard some reasoning there and are really more concerned with possibly an Insurance Ordinance coming to the floor and we did discuss this and I think the points have been well made and with that, I would hope that you would concur in that Mr. Stanhope.

Mr. Stanhope: Certainly. Thank you. I don't know how much discussion there is going to be on this particular Bill but would it be possible to have the word "agent" specified and spelled out at the beginning of the Ordinance. The term "agent" is very confusing. We have agents, agents, secretaries, manager, presidents, managers, secretary or agents of the insurance companies. I can't produce the books of an insurance com-

pany. Maybe the life insurance agent can because it is his own company but I can't produce the books of an insurance company with which I have no connection other than the fact that I do business with them.

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I think one shouldn't be confused in that sense because what we are talking about here, we use the term agent and we use the term chief agent in this Ordinance.

Now, when we are referring to an agent who is writing insurance in the Territory, he would not be required to produce the books of the insurance company but we might want him to produce his own books so that we could find out what he has written in the Territory on behalf of an insurance company. In that sense, agent is the local agent.

The chief agent that is referred to in the Ordinance is an officer of the insurance company. This particular piece of legislation is almost an identical copy of the provincial legislation and the context is fairly clear, in my mind.

Mr. Stanhope: It is in my mind believe me, I know what you mean; it is just that you don't say what you mean. My apologies.

Mr. Chairman: Mr. Berger?

Mr. Berger: I was quite interested to hear that the witness said it was a U.S. insurance company. My concern is especially life insurances and I believe lots of companies' headquarters are actually in the United States; how successfully can we, in the territory, collect that tax of a foreign company?

Mr. Stanhope: That is an extremely difficult question to answer. However, I will try. All life insurance companies that do business in Canada have to have a registered office in Canada. However, all general insurance companies that do business in Canada do not necessarily have to have a registered office in Canada. They may do it through the offices of an insurance broker or through the offices of another insurance company entirely. In other words, if you had the Turkey Bend Insurance Company of Omaha, Nebraska, wanting to insure in the Yukon, they may do it through the offices of the Royal Insurance Company or the Commercial Union Insurance Company in Canada. That is the way they get around it. It is extremely difficult, I would imagine, to try and find out where the ultimate source of the premium revenue has gone.

Mr. Berger: A supplementary, Mr. Chairman; the witness told us there were six insurance companies operating in the Yukon, or selling insurance policies; I believe they are general insurance companies?

Mr. Stanhope: That is right.

Mr. Berger: Are those Canadian companies or are those United States Companies or are there foreign companies involved?

Mr. Stanhope: Well, there is only one Canadian insurance company, which is the Canadian Indemnity, that operates in the Yukon. The rest are either British or American companies who have registered offices across Canada, and they pay the taxes and they pay every Superintendent of Insurance and make sure that they leave sufficient reserves and so on to pay future claims. They are all registered in Canada; they do have separate head offices in Canada.

Mr. Chairman: Mr. Berger?

Mr. Berger: I have one more question to Mr. Miller. According to the Fire Prevention Ordinance, how successful was the territorial government in collecting the one percent tax in this Ordinance?

Mr. Miller: Mr. Chairman, fairly successful. The last audit that we did, based on the Superintendent of Insurance's report, we were within a matter of dollars on a straight calculation of the premiums collected.

Mr. Chairman: Mr. McCall?

Mr. McCall: Thank you, Mr. Chairman. I have a two-part question if I can ask Mr. Stanhope, concerning the situation in Faro. Some of our residents in Faro are having great difficulty obtaining household insurance on new units that are being provided by Cyprus Anvil for its employees, even our company itself is having the same problem. That is one part of the question, the question is why?

The second part is, household insurance that is obtained in Faro is thirty percent higher than insurance, the same insurance, provided in the City of Whitehorse. That is the second part of the question, the question is why?

Mr. Stanhope: I will take those one at a time, Mr. McCall, if I may. First of all, the problem with the 48 units in Faro. We have been in direct discussion over this before; basically I am going to try and give you the philosophy of an insurance company without working for an insurance company. That is clearly understood, so I may be erroneous in this. However, from the way I understand it from the insurance companies, anyone who does not live in his own premises, in other words who rents premises, does not take as much care as a person who owns his own property.

The result is that there have been disastrous losses on rental income property. In fact, I know of one insurance company - if you think that is bad - I know of one insurance company that has just cancelled every tenant's policy in the City of Vancouver, and it is a huge insurance company. We are talking huge insurance brokers and agencies and many, many people.

So Faro, with 48 units, is hardly comparable to the great metropolis of Vancouver; however, it has been disastrous.

I don't want to get into any personal things as far as my own company is concerned; I will talk to you about that later.

(LAUGHTER)

Mr. Stanhope: It may be good news. We are trying, by the way, we are trying to get insurance companies, not just me I imagine, we are trying to get the insurance companies to take these risks, by the way, and trying to pressure them to do it. However, it is pretty hard for us to pressure them. Nonetheless, we are trying.

As far as the disparity between Whitehorse and Faro rates is concerned, the basic reason here is, again I am speaking for an insurance company, the City of Whitehorse has better fire fighting facilities than the Town of Faro. There is no more to add to that.

Mr. Chairman: Mr. McCall?

Mr. McCall: I would differ on that point. We have one of the best in the Yukon.

Mr. Stanhope: I am sure you are very proud of it, Mr. McCall.

(LAUGHTER)

Mr. McCall: Especially when our firemen don't get paid - they are all volunteers.

There is one point, Mr. Stanhope and myself have been on a continuous discussion on insurance problems in Faro. We know each other quite well on that subject.

My next question to Mr. Stanhope is, do you see any foreseeable immediate relief in order for these people to obtain insurance coverage because of our circumstances in Faro which is, mostly is, owned by Cyprus Anvil, because they want to get insurance.

Mr. Stanhope: I want to sell it.

Quite frankly, I just cannot answer that question at all; that's a question that would have to be answered by either a representative of an insurance company or by the Insurers Advisory Organization and I really can't answer that question. I've no idea, to be quite honest. I'd like to say yes but I can't with all honesty.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, we've had a suggestion made that we should perhaps include a definition of "agent" in this Ordinance. And I wanted to ask Mr. Miller if he sees any great obstacle by following this suggestion. Would it cause any concern on his part if we inserted definition of agent in the Ordinance?

Mr. Miller: Mr. Chairman, I think before I would want to put the definition in I would like to go back and look at the use of agent in all cases, because just on page 3 there's two different agents; one's a chief agent and the other is an agent of the insurance company. So we would have to be very precise.

Mr. Stanhope: Yes, there's agents for and agents of.

Mr. Miller: That's right. I quite frankly don't see any problem of the way it's written because I think it's fairly clear who we're talking about, from the enforcement point of view. We may not from the layman on the street's point of view, but from the enforcement and the

insurance agent side of things, I think it's fairly clear.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, my question is for Mr. Miller and it's further to the question that the Honourable Member from Dawson asked regarding how successful has the government been in collecting the Fire Marshal's Tax and the reply Mr. Miller gave was that it coincided fairly well with the Superintendent's Report.

Now, after listening to the witness, could we not assume that superintendent's report is not including-- does not include, all of the premiums that are being paid for insurance in the Yukon Territory?

Mr. Miller: Mr. Chairman, I indicated this morning that, under the Insurance Act of Canada, all insurance companies writing insurance in Canada are required to file annually where they've written that insurance and the premiums collected.

This is exactly what we get. The provinces use the same tool to collect their taxes. So I don't see any problem with it.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, further, we are getting some confusion in the-- what Mr. Miller is saying and what Mr. Stanhope is saying. I would like to see if we could clarify or maybe I'm the only one that's confused.

Mr. Miller: Mr. Chairman, again I can only repeat that the Superintendent of Insurance of Canada files a report annually showing the insurance premiums written in each province and territory of Canada, which is supposed to be the makeup of all insurance written in Canada regardless of what company wrote it. And that they don't give us; they just tell us how much fire insurance, how much life insurance, etcetera, was written in the Yukon.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: I wonder if Mr. Stanhope agrees with that?

Mr. Stanhope: I'm in no position to say, never having seen the Superintendent's report. I would imagine, frankly, a lot of insurance companies with whom I deal quite frankly don't know whether this is the Yukon, B.C., Northwest Territories or Alaska. They're completely and totally and absolutely confused. I have had to prepare statistics such as Mr. Miller says and quite frankly we put down the nearest territory that we could think of at the time. Not in every case but I don't believe that the report you even get from the Superintendent of Insurance on behalf of the Federal Government is correct.

Although, what can you do? You can't do anything else except abide by it. Talking about premiums, it is extremely difficult; Lloyds of London, for instance, pay a two percent, a two percent federal tax, to write insurance in Canada because they don't have a head office here and they don't keep reserves here. So they have to

file a two percent tax for everything that's written here.

Are those premiums included in the federal Fire Marshal's report, the federal Superintendent's report? Do they break them down by companies?

Mr. Miller: Mr. Chairman, the report that we get indicates all of the premiums written in the Yukon. Now you have to make the basic assumption that when the insurance company is filing their annual return they know where they were writing the insurance and I admit that may be a problem. Because not too many people know where the Yukon is.

Mr. Stanhope: Especially Ottawa.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, my concern still surrounds the area of private insurance of government insurance and it bothers me a bit that again, when the Fire Marshal's report comes out and it shows the overall lost value, it doesn't necessarily segregate what was the loss of the Mayo School, as a beautiful example. What was attributed to a government loss and what was attributed to a private loss? It seems to me that government, being their own insurers, are the— that the insurance companies shouldn't take that figure and say this is the overall loss. We are going to establish our premium for everybody in the private sector based on this.

Now, I don't know— I don't know how far out I am. Perhaps the witness could tell me but let us assume that over the course of this year, the past year, that the insurance companies have paid out, say, \$500,000.00 in, and I think I am close to the ballpark, in actual payout for fire losses. But let's also assume for that payout that they took in \$2,000,000.00 in premiums; what happens to the other million and a half?

Mr. Stanhope: I don't work for an insurance company again. No, just to go back to the first part of your question, the Fire Marshal's report shows insured and uninsured losses and the insurance companies do not use the Fire Marshal's report as a basis for rate making. They use their own experiences. What happens to that million and a half dollars? Ask the insurance companies. It certainly doesn't find its way into my pocket.

Mr. Chairman: Mr. McCall?

Mr. McCall: Yes, Mr. Chairman, I have another question and I would like to go into motor vehicles, if I may. I am talking about insurance. That's your baby. My concern is, the last two years— last year, I think it went up approximately 10 percent of the cost of payments for premiums, for insurance. An average insurance coverage for a vehicle this year went up between 30 and 50 percent. I would like an explanation as to the reasons why this cost, the premium costs, have escalated so much?

Mr. Stanhope: You want me to speak again on behalf of an insurance company for whom I am not insured. No, I can't do it.

Mr. McCall: I am only asking him as an agent.

Mr. Chairman: Mr. McCall, I don't think it is pertinent to the Bill that's under discussion at the present time. Mr. Berger?

Mr. Berger: Thank you, Mr. Chairman. I would like to go back to the Bill again. I would like to get the witness's opinion since he has many years of experience in this field. Could this Bill possibly cause an increase in insurance premiums to the consumers in the Yukon?

Mr. Stanhope: One of the reasons that I am here is in the hopes that you will pressure the insurance companies to make damn sure there is not an increase in the premiums. I don't want an increase in the premiums. It's a loss of business to me. That's exactly one of the reasons I am here as I do not want an increase in insurance premiums and I would like you to make that absolutely 100 percent crystal clear to the insurance companies.

Mr. Chairman: Mr. Berger?

Mr. Berger: This is the question I am trying to get at. What power do we have over an insurance company who is not a resident in the Territory, in some cases not even a resident in Canada?

Mr. Miller: The same power you have over C.P.A. or White Pass.

Mr. Stanhope: It is a very valid point. You have got one of two options. They will either write insurance up here or they won't and that's it, nothing else. If they don't like it, they won't write it. They can't be forced, I wouldn't imagine, to run a business at a loss.

Mr. Chairman: Mr. Berger?

Mr. Berger: Just one more. I think it is more of a statement; as I said before lunch, this brings me right back to 20 years ago in the Territory where most of the insurance was written outside of the Territory and could this be possible again?

Mr. Stanhope: Can I go back into history a little way, and this was before my days in the Yukon. At one time, the Yukon and B.C. used to be lumped together for insurance purposes in as far as what's called a loss ratio is concerned. In other words, you take the amount of losses and the amount of premium and you divide the losses into the premium and you find out whether your premiums are equitable. Now, some genius a few years ago decided that the Yukon was being unfairly treated and demanded, insisted, that we have our own separate figures, outside of B.C.

Now, somebody insisted; I don't know who it was. As a result of which, our premiums went up. So, please don't blame the insurance companies or the agents.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, I will ask

another question. Mr. Miller, how did you arrive at the \$115,000.00 then? What figures did you use to calculate this?

Mr. Miller: Basically what we did was, because we had insufficient experience, we took the B.C. situation and assumed, on a per population base, that our insurance would be the equivalent of theirs and that's how we got the less than \$100,000.00 for this particular tax.

Mr. Lengerke: Mr. Chairman, you didn't take it then from the number of insurance companies that were writing and take it that way?

Mr. Miller: Mr. Chairman, no, because we have only got one year of that data.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Yes, Mr. Chairman, I'm still having difficulty going back to Mr. Berger's question in regards to the 2 percent. Two percent is being charged outside; now we, in the Yukon, who are five years late have decided that we're going to go for 2 percent.

Yet you deal as an agent, I understand your position is as an agent, but you deal with say 6 or 7 companies?

Mr. Stanhope: Basically.

Hon. Mr. Lang: Now, even if one pulls out, we're left with 5, and with this 2 percent increase, right?

Now, as long as we don't have a cartel that was referred to earlier, I would assume that private enterprise, being as competitive as it is, that they would not raise their rates. Is that not correct?

Mr. Stanhope: Did you direct that question to me?

Hon. Mrs. Whyard: Would you go through that again?

Hon. Mr. Lang: Yes.

Mr. Chairman: I'm not sure you asked a question, Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, earlier Mr. Stanhope convinced me that the 2 percent would make no difference. Subsequently, since then, he has made me think maybe that it is going to make a difference; maybe everybody's going to pull out.

Mr. Stanhope: No, no. There is a certain amount of cynicism around the table. I can feel it. First of all, you have to bear in mind that an insurance company, and again I'm speaking right out of context, I don't work for an insurance company, an insurance company can only write as much business as it can afford to pay claims.

If you have three of those six insurance companies full out, do you think those other three are going to pick up the slack? Because it may not be physically possible for them to do so.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I don't think the problem is just unique to the Yukon alone at the present time. In fact I think the United States is in a very dire situation regarding insurance coverage and if you do any reading at all you'll see that this is quite evident.

Mr. Stanhope: That's entirely true.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Yes, and I think Mr. Stanhope will confirm that three companies have pulled out of here within the last year. I saw some figures at noon today, Mr. Chairman, which showed that \$159,000.00 had been received in premiums and \$159,000.00 had been paid out in claims in one office.

Mr. Stanhope: I personally haven't had any experience of insurance companies literally pulling the pin. However, I have had difficulty in persuading an insurance company to write any insurance in the Yukon. This goes back-- there are many historical reasons for this and there's not much point in me wasting your time over them now.

Mr. Chairman: Are there any further questions for Mr. Stanhope?

Mr. Stanhope: Excuse me, Mr. Chairman, there's one question from me. Do we know what's going to happen to the 2 percent? Where's the money going?

Ms. Millard: The tutor program.

Mr. Miller: Mr. Chairman, the 2 percent tax is going to go into the Consolidated Revenue Fund for all the programs that the government runs.

Mr. Stanhope: The same as it does in B.C. and Alberta; fine, thank you.

Mr. Chairman: Thank you, Mr. Stanhope.

Mr. Stanhope: Thank you and thank you for your time.

Mr. Chairman: Is there any further discussion?

(Reads preamble)

Hon. Mr. McKinnon: Mr. Chairman, I move Bill Number 7 out of Committee without amendment.

Mr. McCall: I'll second that.

Mr. Chairman: It has been moved by Mr. McKinnon, seconded by Mr. McCall, that Bill Number 7 be moved out of Committee without amendment. Are you ready for the question?

Some Members: Question.

Mr. Chairman: Are you agreed?

Some Members: Agreed.

Mr. Chairman: The motion is carried.

(MOTION CARRIED)

Mr. Chairman: I declare a brief recess.

(RECESS)

Mr. Chairman: I will call Committee to order.

It has been brought to my attention that the majority of the members of the Committee would prefer to attend the Public Utilities Board hearings. If this is the wish of Committee we could now call it five o'clock.

Some Members: Agreed.

Mrs. Watson: Mr. Chairman, I am going to have to disagree. I feel that we haven't really spent that much time working today. I would prefer to work to five o'clock, but I am prepared to abide by the majority.

Mr. Chairman: What is the majority?

Hon. Mr. Lang: I would just as soon carry on working.

Mr. Chairman: Well, perhaps we better have a show of hands. Those who would prefer to carry on working?

Those who would prefer not to?

We will continue with Bill Number 12. One.

(Reads Clause 1)

Mr. Chairman: Two.

(Reads Clause 2)

Mr. Chairman: Mr. McIntyre?

Mr. McIntyre: Yes, Mr. Chairman, I wonder why there is no tax on cigarette papers? Yes, for rolling them; you are taxing the twistings, why not tax the paper too?

Mr. Miller: Mr. Chairman, what we are talking about here is a tobacco tax, not a paper tax.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: For the purposes of this Ordinance, is it going to be collected in the same manner as it is today?

Mr. Miller: Yes, Mr. Chairman.

Mr. Fleming: It is not changing?

Mr. Miller: No change in the method of collection, only in the amount of tax.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Yes, Mr. Chairman, we have received. I know I have received, correspondence respecting this from Kelly Douglas in Vancouver which states, in essence, "It is essential to our company that we receive a tobacco tax commission in compensation for the work that we have performed in collecting and remitting this tax. The principle has been well established in every other province in Canada and they pay commission for this work, generally on the basis of three percent of the first ten thousand dollars and one percent on the remainder. We ask that you give serious consideration to our request for this change in your regulations. We would also appreciate receiving advice of your decision".

I have a further copy of a letter addressed to the Commissioner re Tobacco Tax Ordinance from the Hudson's Bay Wholesale Company.

"As we understand that at present you are considering an amended Bill to the Tobacco Tax Ordinance, may we as a collector, ask that you again give consideration to a commission structure for collectors" and so forth.

It gives rise to a couple of questions. First, I would like to know if it is the intention of the Administration, if this be the case that this is the experience across other areas of Canada, to do this, to give these people a commission for the collection of this tax. Secondly, I would like to know, I note in the tax revenue, in the Estimates for last year, this tax was to raise three hundred thousand dollars, now it is intended to raise five hundred thousand dollars. Just what is the general increase over last year?

Mr. Miller: Mr. Chairman, the first question with regards to the commissions. The general policy in the provinces is to pay collectors of tax a commission. That applies in the tobacco tax field, the retail sales tax field, fuel oil tax field, anywhere where a company has - is required to collect a tax on behalf of the government.

We have not as yet, included that in any of our Ordinances. I too have received letters from the two companies mentioned by the Honourable Member. These come in just a matter of a few weeks ago. Quite frankly, I am not adverse to paying a commission, but I think if we are going to pay a commission on tobacco, we should then be prepared to pay a commission on fuel oil. I would like to suggest to the House that if you would leave this with me, I would undertake to determine Executive Committee's decision on the matter, and if this government is prepared to go along with paying commissions, that we would bring back amendments at the next session in order to bring this into effect.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: My other question was, how much, do I take it that this is intended to raise an additional two hundred thousand dollars over what we raised last year. How does this work, how much more money are we raising by passing this Ordinance?

Mr. Miller: Mr. Chairman, what we are referring to in terms of dollars, with the passage of this Ordinance is one hundred and forty thousand dollars additional revenue.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, it may seem a little funny, but I am wondering why we start out here and run all the way down here, from two cents away up to forty cents and we end up with twenty percent up to forty cents on cigar smokers, and I don't know, I have always been for equalization for everybody. If a man is a millionaire and wants to smoke five dollar cigars let's let him pay his twenty percent. How come we go to a forty cent cigar and all of a sudden only a ten cent tax from there on?

Why not say 20 percent for all cigars?

Mr. Miller: Mr. Chairman, we don't work in percentages. What we are working in is cents because it is a lot easier for the wholesaler to do it on a per cigar basis, using X number of cents rather than percentage of the cost of the cigar.

Now, the question regarding why did we stop at 40 cents, basically what we have done again is we have followed the trends that are happening in the provinces and that's where they stop, so we decided to stop there too. I suppose we could have gone to a dollar.

Mr. Fleming: I think so, Mr. Chairman, or more.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Supplementary, Mr. Chairman. I have paid it myself because I do smoke the odd, very odd cigar but I used to smoke a lot. \$1.37 cents the other day and if I am going to buy this type of cigar, I don't see why I shouldn't pay a little more money. I would be quite happy to see it raised all the way.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I only had a very frivolous comment to make and that was that the fact that the Commissioner smokes \$2.00 cigars has nothing to do with this section.

Reads Preamble

Mr. Chairman: I will entertain a Motion.

Hon. Mrs. Whyard: Mr. Chairman, I would move that Bill Number 12 be reported out of Committee without amendment.

Mr. Chairman: It has been moved by Mrs. Whyard, seconded by Mr. Lang that Bill Number 12 be moved out of Committee without amendment. Are you ready for the question?

Some Members: Question.

Mr. Chairman: Are you agreed?

Some Members: Agreed.

Mr. Chairman: Motion carried.

Motion Carried

Mr. Chairman: Turn to page 107, Tobacco Tax Revenue, \$500,000.00. Western Canada Lottery, \$30,000.00. Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, we have a spread sheet here talking about Western Canada Lottery. I would assume that this would also apply to the Olympic Lottery, profits in the lottery. We had a press release here the other day that the funds, the profits from this were, of course, to go to—for allocation, to the Sports Committee, our Fitness and Amateur Sports Committee.

We were told that for some reason that the profits on this are—these funds would be very little. Could we have a breakdown from the witness, Mr. Miller, at this time, indicating just exactly what the balance is, what the profits are and also how many people are involved, employees in the administration of the system.

Mr. Miller: Mr. Chairman, I am sorry. I don't have the precise figures but indications are that we will have approximately a six to eight thousand dollar profit at the end of this fiscal year, i.e. March 31, 1976. There is one person presently involved in administering both the Western Canada Lottery and the Olympic Lottery.

Mr. Chairman: Mr. Miller, in view of the fact that there has been 60,000 tickets sold of the Western Canada Lottery, and to my knowledge, there was more than one person employed in the administration of this plan. In fact, I believe there were three people at one stage and I would think it would be very interesting to know what administrative costs were charged to the Western Canada Lottery.

Mr. Miller: Well, Mr. Chairman, I would have to get that information. At one time, we had two people involved prior to the bearer ticket system coming in. That has cut down the amount of administration.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, on the spread sheet you have given us here on Western Canada Lottery ticket sales and Olympic Lottery ticket sales, you show a total profit, overall profit of \$29,516.00. What I fail to understand is how you can come up and say well, there is only six to eight thousand dollars left for sports and physical fitness and amateur sports and that's what I am looking for the explanation for.

Mr. Chairman: Maybe I could help Mr. Taylor there a bit, I think one of the problems is that the tickets are being sold by various organizations and they are getting their cut for selling the tickets.

Mr. Miller: Mr. Chairman, I am sorry, I didn't make up this statement. I don't know who made it up and I don't know what has been included in it. If you would like me to bring back to Committee the full information, I would be happy to do so.

Hon. Mr. Taylor: That Mr. Chairman, is exactly what I am looking for, a full explanation of what's hap-

pening?

Mr. Miller: That's fine, Mr. Chairman, I would be happy to do that.

Mrs. Watson: Mr. Chairman, I am sure that the sheet that was handed to us was incorrect because my understanding was that we only make 50 cents or something like that out of every Olympic ticket and they have the net profit there, \$29,000.00. So, it must be an incorrect statement and it certainly needs revision.

Mr. Chairman: Well, the Western Canada Lottery and the Olympic tickets, there is a considerable prosperity in the profit margin.

Mrs. Watson: Yes, and the least is from the Olympic. We don't get very much here at all.

Mr. Chairman: Mr. Berger?

Mr. Berger: The announcement was on the radio this morning and on the Olympic lotter tickets, I think it was 90 cents as is stated.

Mrs. Watson: It is stated here.

Mr. Berger: And on the Western Canada Lottery, it was \$1.50 actually and it is split. I think the Territorial Government makes roughly about \$8,000.00 on the Canada Lottery itself. The rest of it is split amongst the organizations in the Territory who sell the majority of the tickets.

Mr. Miller: Mr. Chairman, I heard the same radio broadcast that's where I got my figures from.

Ms. Millard: Mr. Chairman, since I presume the estimate in the book is more correct, why is there a reduction from last year to this year?

Mr. Miller: Well, Mr. Chairman, when we went into the Western Canada Lottery, everybody was an optimist. What we're showing here is reality.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, it is understood then that there is going to be some more information coming?

Mr. Miller: Yes, Mr. Chairman, I will bring in a statement showing the full details.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, we used to have pressures around this House for, oh, about 4, 5 years ago that the Yukon should run their own lottery and thank goodness we never embarked upon it because we would be showing a deficit, I'm sure.

Mr. Chairman: Total revenue \$6,745,000.00, liquor profit licenses and surcharges \$3,508,000.00 and I refer

you to Bill Number 10. Mr. Taylor?

Hon. Mr. Taylor: Yes, Mr. Chairman, I wonder if the witness, I have some questions on this, I wonder if the witness could tell us what percentage in the 1976 estimates, what percentage of total revenues will be collected from the liquor tax or surcharge as you wish to call it?

Mr. Miller: Mr. Chairman, on the present rate, surcharge rates we collect approximately \$380,000.00 in liquor surcharges.

Hon. Mr. Taylor: What percentage is that though? Of the total revenue?

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: What percentage of the Territory total revenue does the total, the total, not the additional revenue or anything now, but the total tax on liquor?

Mrs. Watson: Twenty-five percent approximately.

Mr. Miller: Mr. Chairman, is the Honourable Member requesting the percentage that the surcharge is to the total revenue raise of the Territory or the total liquor profit?

Hon. Mr. Taylor: Of the Territory.

Mr. Miller: Mr. Chairman, that would be approximately three percent.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Actually I'm talking about, really I should be talking about the profits from liquor. The liquor department is kind of a business of it's own. It doesn't function as a department of government. It department -- it functions as a department of the Treasury Department, I believe. So say out of the total liquor profits what percentage would this represent?

Mr. Miller: About 17 or 18 percent Mr. Chairman.

Mrs. Watson: Mr. Chairman, 25, if you look at \$3,508,000.00 for liquor profits, licenses and surcharges, total revenue \$13,551,000.00, it looks more like 25 percent to me.

Mr. Miller: I'm sorry, Mr. Chairman, I was doing some different calculating.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, I think when we consider about going back to the liquor question, as I say I'd like to come back to the report made to the government of the Yukon Territory in 1972, respecting financing, government operations in the Yukon Territory. A review of present methods and taxes, possible new taxes and the impact of the cost of living.

In the conclusion of that report they state that this

Mr. Chairman: Four.

(Reads Clause 4)

Mr. Chairman: Five.

(Reads Clause 5)

Mr. Chairman: Six.

(Reads Clause 6)

Mr. Chairman: Are we agreed?

Some Members: Agreed.

(Reads Preamble)

Mr. Chairman: I will entertain a motion.

Hon. Mrs. Whyard: Mr. Chairman, I would move that Bill No. 10 be reported out of Committee without amendment.

Mr. McCall: I will second that, Mr. Chairman.

Mr. Chairman: It has been moved by Mrs. Whyard, seconded by Mr. McCall that Bill No. 10 be reported out of Committee without amendment.

Are you prepared for the question?

Some Members: Question.

Mr. Chairman: Agreed?

Some Members: Agreed.

Mr. Chairman: I shall declare the Motion carried.

(Motion carried)

Mr. Chairman: Mrs. Watson?

Mr. Watson: Mr. Chairman, I don't know whether we are going to be receiving a financial statement of the liquor operation because it normally is not included in our Main Estimates, this year so I would like to ask a couple of questions now, if that would be in order?

Mr. Chairman: Yes it is.

Mrs. Watson: I would like to ask about the beer bottle recovery program that you have embarked upon, whether, how much it is costing us to carry this out and how successful it has been so far?

Mr. Miller: Mr. Chairman, I don't have the cost details here. I do know that it -- I am going by memory here, but there has been in excess of four hundred thousand dozen bottles leave the territory, if my memory serves me correct. The bottles are not lying on the streets as much as they used to be. I was up to Dawson last weekend and you don't see too many cases, empty beer cases on the side of the highway anymore, so I

think it has been very successful.

Mrs. Watson: Mr. Chairman, do they have any accounting at all of the program, the amount of money, whether it is actually costing money to carry out the program and how much?

Mr. Miller: Mr. Chairman, we do have an accounting of the program. I just don't happen to have it here. I can make it available and will do so.

Mrs. Watson: Thank you Mr. Chairman, I would certainly appreciate seeing that.

Another question I have, and it is a time old question, people in areas where we do not have a liquor store, and I can understand why they do not have a liquor store in some of these communities because the volume of sale isn't there. These people are able to buy through anyone who has the off premise license, liquor, but they have to pay a dollar and a quarter more than anyone else in the territory and I think the Honourable Member from Watson Lake and Hootalinqua are certainly wary of what I am speaking of. I often think that it seems very unfair to one group of people just because the government does not have an outlet for the merchandise that they are selling, those people have to pay a dollar and a quarter more. I have brought this up before and we always get the same excuse. I would really, this time, ask the government to see if they could bring down something that would make it possible so that these people, just because they live in a small community and in a isolated area, have to pay a dollar and a quarter more for their product that the government is selling.

Surely there is some way of getting around it so that it won't be abused. I know, certain methods of handling it, it could easily lead to abuse. There must be some way other than to having to establish a liquor store in every community to enable these people to buy it at the price of other consumers.

I would certainly ask the government to see if they can come up with something, especially when we are getting three million five hundred and eighty thousand dollars from profits from liquor surely somehow or other we should be able to accommodate these people.

There is one other question, while I am on my feet, that I would like to ask, regarding licensing, you will likely have to get the answer for me, statistics on the sale of liquor from each of the liquor stores in the territory are usually given to us. I often wonder if the statistics go down far enough, if the sale is low enough that they will pull the liquor store out of the community and I am a little concerned because after the beer strike last summer, before that, Haines Junction was used as a distributing point for liquor and beer to the north Alaska Highway and the Haines Road. After the beer strike, this was discontinued and apparently all the wholesales, the sales go out from Whitehorse. What I am concerned about is it has caused a drop in the statistical sales of the liquor store at Haines Junction and I would hope, when the government is looking at possibly cutting services that this would effect it. I would like to know why they stopped doing this, using it as a distributing point, particularly when they are going to be moving into larger quarters and will be able to handle it. They

will have the storage.

Mr. Miller: Mr. Chairman, with respect to the Haines Junction liquor store being a depot for the north highway. The reason we stopped doing it is because it is too expensive. It is cheaper to ship it out from here, rather than handling it twice. That is why we stopped and it will not have any impact on whether or not the Haines Junction store remains open. We just built a new building and it has a nice liquor store in it. There is no way it will be closed that I am aware of.

The question on finding a method to service the small communities, I will again ask the Liquor Board and the Liquor Department to review the situation and see if there is some equitable way in which we can handle it.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, when can we expect metrication taking hold in the liquor department, like everything is in fluid ounces. The other remark I would just like to make to the Honourable Member from Klauane, I think it is going to be, statistically speaking, in your favour. You are going to have less consumption of alcohol in Haines Junction, you are most likely going to fall down in first place instead of being in third place like Dawson is.

Mrs. Watson: Mr. Chairman, we have got a greedy government they are only interested in the dollar bills, but you have to justify having a liquor store open, that is dollars.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, go ahead.

Mr. Berger: I believe maybe Mr. Miller has an answer for me, I don't know.

Mr. Miller: Mr. Chairman I don't know when the glass industry is going to convert to metrication and that will really be the determining time, when the glass industry starts. They have started, I noticed, in certain fields. I am not sure when they are going to get around to booze bottles.

Mr. Berger: The main reason I asked this question was because of liquor store already because it's eventually going to create a confusion in the liquor store.

Mr. Miller: Well, Mr. Chairman, some of the wines have gone to litres. Gradually it will be phased and this is one of the reasons why the Bill was written the way it was. So that the contingency of the change over will not affect the tax situation.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Thank you, Mr. Chairman. I was interested in the remarks by the Honourable Member from Klauane. I recall a few years back I was involved in discussion in the North about this very thing. Many

communities were complaining that they were having to pay a surcharge and they were being discriminated against.

I'm really wondering how many communities like this are involved, Mr. Miller, could you give me that number that don't have that government facility? And what is the total amount of the sale in these communities? And you also mentioned that you would ask the Liquor Control Board and whatever, the administration to look at this but wouldn't it be a matter of policy that would have to be set and the direction would have to be given by this Assembly? I would think that if any concessions were going to be made, it's going to cost money and I think this should be a matter for us to put forward.

Mr. Miller: Mr. Chairman, when I suggested I would ask the Liquor Board and the Administration to look at it, I was not suggesting that they would holistically go ahead and do it. What I was suggesting is there are obviously various alternatives and that they are the people who should come forward with the alternatives and the cost of introducing.

With regard to your first question, I think it would be much easier for me to tell you where there are liquor stores rather than where there aren't. Watson Lake, Whitehorse, Haines Junction, Dawson City, Faro and Mayo.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, do I understand then that the other communities all have some sort of an outlet through various other means then?

Mr. Miller: Well, Mr. Chairman, the only outlets other than those are off premise sale licenses and it depends upon the community whether they have one or not.

Mr. Chairman: License Revenue Motor Vehicle Ordinance \$1,450,000.00. Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, perhaps we could have an explanation as to the increase from one million and twenty to one million and four fifty?

Mr. Miller: Mr. Chairman, this year's current estimate is \$1,415,000.00. Again I would have to repeat my words, or my comment on the fuel oil tax, that we now feel that the \$1,450,000.00 is probably going to be too high because of the reduced truck traffic.

Mr. Chairman: Business and Professional Licenses \$100,000.00. Mr. Taylor?

Hon. Mr. Taylor: Mr. Chairman, I note here that the revenue from last year was estimated at \$99,000.00. There's been an increase of \$1,000.00 and yet you've doubled the license fee around the Territory, business licenses. Before I continue could I have an explanation and then I'd like to comment further on this.

Mr. Miller: Mr. Chairman, our current estimate for

Hon. Mr. Lang: Mr. Chairman, prior to this year, as I think I informed the Committee here last week, that we've got a letter from Recreation Canada stating that \$66,000.00 that they had given us annually was to be deleted from the budget, so there's \$66,000.00. The remainder was budgeted in '75-76 on some-- we really don't know what the previous recreational director had in mind, but he thought he was getting more monies from the federal government and it did not come to pass.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Are we not going to get anything from National Health?

Hon. Mr. Lang: No, Mr. Chairman.

Mr. Chairman: Ms. Millard?

Ms. Millard: I'd like to query the recovery under Friendship Centres. Is this from Secretary of State?

Hon. Mr. Lang: This is correct, Mr. Chairman.

Ms. Millard: Why is it ear-marked to Friendship Centres?

Hon. Mr. Lang: This is an agreement with the Government of Canada, Mr. Chairman.

Mr. Chairman: Ms. Millard?

Ms. Millard: Under Education though? Recreational, oh I see.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I would like to pursue this a little further under Fitness and Amateur Sport; it is really quite disturbing. At least we used to get a minimal sum from National Health, but to cut us off completely... is this what they have done with the provinces?

Mr. Miller: Mr. Chairman, I have a letter here which I could quote from so all members are aware. This is from the Honourable Marc LaLonde; it says, "You will recall that on March 6th, 1975, I wrote to you concerning the special assistance program to your Territory which has been in operation since March 31st, 1971, when an earlier agreement on Sport and Recreation was discontinued. In that letter, I indicated that an evaluation of the Fitness and Amateur Sport Program was being conducted in order to re-define priorities and that the support program to the Atlantic Provinces and the Territories would be carefully studied in this connection. This evaluation has now been completed and although a number of details still have to be worked out it has been agreed that federal efforts aimed at increasing participation by Canadians in Sport and Physical Recreation activities must be directed primarily to the entire country and that therefore separate arrangements with specific provinces and territories are being

discontinued".

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I should point out that, as far as the re-evaluation that supposedly took place, it must have taken place in Ottawa because we weren't consulted here.

Mrs. Watson: Mr. Chairman, do our Sports Federation and various associations within the Sports Federation, do they receive funding from their national body?

Mr. Miller: Mr. Chairman, I think there are certain sports in Canada, for example the Canadian Amateur Hockey Association, that does receive some funding from the federal government, whether or not that funding is passed down to the Yukon Amateur Hockey Association or not I do not know.

Mrs. Watson: Mr. Chairman, I can conclude that we are not Canadians, from that letter. They are going to be assisting Canadians.

Hon. Mr. Lang: Mr. Chairman, I think I had best clarify something. Maybe Mr. Miller will correct me if I am wrong. My understanding of this \$66,000.00 is that it was given to us annually to set up a recreation department and run that recreation department. They apparently did the evaluation on paper in Ottawa, to the extent that we had a recreation department and cut us off. This was the concept of the program, to my knowledge.

Mrs. Watson: No, Mr. Chairman, the program was clearly defined. We used those guidelines for the regulations at one time that the Fitness and Amateur Sports Advisory Body worked on and then those regulations were put into legislation last year. The training, the leadership training and this type of thing, these were taken from that agreement with Ottawa. It wasn't a recreation department that they were funding solely. You could count the salaries of your recreation director within that, but there were very specific things that they gave us assistance with.

Hon. Mr. Lang: Mr. Chairman, in regards to the Honourable Member's earlier comment in regards to that we are not Canadians, I am beginning to believe that as well, Mr. Chairman.

Mr. Chairman: Ms. Millard.

Ms. Millard: On this grant, or what-ever-it-is, from the Secretary of State, \$24,600.00, does that go right into the recreation department?

Hon. Mr. Lang: Mr. Chairman, I thought I explained myself earlier. There is an agreement with the Government of Canada for Friendship Centres and the only friendship centre in Yukon is at Skookum Jim Hall, so the money goes there.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I don't like to belabour this but it rather upsets me. One further comment, that I do know that National Health were funding the Indian organizations in the Yukon Territory for Sports Fitness and Amateur Sports projects and programs; in fact, their grant exceeded that which the territorial government received. I am wondering whether their grant was being discontinued, whether they are also classed as Canadians and we are sort of forgotten along the way. I wonder if anyone knows if their grant is discontinued also?

Hon. Mr. Lang: Mr. Chairman, I could attempt to get that information.

Mr. Chairman: Clear? Mrs. Watson?

Mrs. Watson: Under the Canada Assistance, this is for, is it rehabilitation? No, I am in the wrong section. It should be under the welfare, fine.

Mr. Chairman: Territorial Secretary \$84,800.00.
Welfare and Rehabilitation \$6,236,600.00.
Mrs. Watson?

Mrs. Watson: Mr. Chairman, I see the Government of Canada has introduced the legislation again that could affect our cost-sharing on health programs, on our medicare program; has this government received any details on what they are in fact proposing?

Hon. Mrs. Whyard: Mr. Chairman, there is a conference of Deputy Ministers next week in Ottawa on that very subject and our Administrator will be there.

Mrs. Watson: Mr. Chairman, so we could be looking at considerably less than that as a recovery under the health program?

Hon. Mrs. Whyard: No, Mr. Chairman, the only announcement of the details that we got as of Mr. LaLonde's announcement, last summer, fall, were exactly the same as had been proposed and accepted a year ago October by the Ministers of Health, the provincial ministers, and they knew what the percentage would be for this coming year. It is unchanged, Mr. Chairman.

Mrs. Watson: For '76?

Hon. Mrs. Whyard: Yes, Mr. Chairman.

Mrs. Watson: Then, Mr. Chairman, we are talking about '77 are we, where the effect could be—

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I don't like to keep asking these but, under the whole Welfare, I do have some concern under the Day Care. At the present time they fund fifty percent of our day care cost if we stay within their formula; now I understand you have had some correspondence with them and they are prepared to adopt our formula if we raise it for all social service

programs. I am sure, this is certainly going to have to be considered, so really the \$25,000.00 that you are looking for cost-sharing might be too much.

Hon. Mrs. Whyard: So Mr. Chairman, since we discussed this item earlier in Committee, Mr. Lalonde has approved a new plan of a system of grants to Day Care which is acceptable for 50 percent cost sharing with his department.

This is a completely different approach. It is based on grants which pick up the operating costs of Day Care up to one third of the total annual cost per unit which means per child unit.

Now we have been working out figures to see how this would effect what the amount we have set aside for cost sharing with Day Care. We could not meet that grant requirement up to one third, we might be able to manage up to twenty-five percent. We have to sit down and discuss this new plan with the Yukon Child Care Association to see whether this is a simpler and more acceptable method to proceed on. But we would still require the amount which is in the budget.

This is not a sliding scale subsidy based on the customer's income. This is based on the actual per unit cost of Day Care. It is a federal plan which is now in application across Canada and it is permissible to pay up to fifty percent of our share of it.

Mr. Chairman, this plan has not been accepted nor approved. It's another approach.

Mrs. Watson: Mr. Chairman, it does concern me because it is not based on need and I think we just have to listen to the news on the problems that British Columbia is finding themselves in. They have gone into the program and committed themselves to a great deal of money, just enough to get them into great troubles and unless it's a type of program that very specifically based on need of assistance. I would hope that we don't embark upon it.

Hon. Mrs. Whyard: Mr. Chairman the principle behind this approach is that the funds enable the Day Care Centres to raise its standards to better conditions and better staff and so forth. And that is what people have been asking in the Yukon. When are you going to impose regulations on standards for Day Care?

So you know there are arguments on both sides. This would be preferable to Day Care people who want to upgrade their facilities. On the other hand there may be disagreement regarding its lack of need per customer. So it's a dilemma we haven't solved yet Mr. Chairman.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: We have a double thrust then if we're going to raise the standards for this. If we would go this route, we would be raising the standards but I think our government also has a commitment to provide assistance for Day Care costs for single family parents than people who definitely are in need and need some help with the Day Care Program.

It looks like it's another one of these.

Hon. Mrs. Whyard: Mr. Chairman, the needs of those persons are already cared for in our budget. We do subsidize Day Care for parents whose incomes do not exceed \$600.00 a month now under our Social Welfare Branch arrangement. The amount required for that subsidy is included in our Day Care figure.

Mrs. Watson: Mr. Chairman but the amount doesn't raise the standards.

Hon. Mrs. Whyard: No, Mr. Chairman.

Mr. Chairman: Local Government \$212,000.00. I wonder if the Minister of Local Government could give us a break down on this item called Insect Control?

Hon. Mr. McKinnon: Mr. Chairman, I would like to move at this time, the Speaker resume the chair.

Mr. Chairman: Oh I think -- we're very close to finishing this page and it would be if we could finish.

Mr. McCall: Mr. Chairman, there is a motion on the floor.

Mr. Lengerke: I second it.

Mr. Chairman: It has been moved by Mr. McKinnon, seconded by Mr. Lengerke, that Mr. Speaker do now resume the Chair. Are you ready for the question?

Some Members: Question.

Mr. Chairman: Are you agreed?

Some Members: Agreed.

Mr. Chairman: Motion carried.

(MOTION CARRIED)

Mr. Speaker Resumes the Chair

Mr. Speaker: I will now call the House to order. May we have a report from the Chairman of Committees?

Mr. Hibberd: Yes, Mr. Speaker. Committee convened at 10:40 a.m. to discuss Bills, Motions and Sessional Papers. Mr. Miller and Mr. Williams were present as witnesses during Committee's review of Bill Number 2.

The Committee read Bill Number 7. Committee recessed at 11:50 a.m. and reconvened at 2:15 p.m.

Mr. Brian Stanhope, representative of the Yukon Insurance Agents appeared before Committee on Bill Number 7.

It was moved by Mr. McKinnon seconded by Mr. McCall that Bill Number 7 be reported out of Committee without amendment. This motion was carried.

Committee then read Bill Number 12. It was moved by Mrs. Whyard, seconded by Mr. Lengerke, that Bill Number 12 be reported out of Committee without amendment and this motion carried.

Committee read Bill Number 10. It was moved by

Mrs. Whyard, seconded by Mr. McCall, that Bill Number 10 be moved out of Committee without amendment. This motion carried.

Mr. Speaker I can now report progress on Bill Number 2. It was moved by Mr. McKinnon, seconded by Mr. Lengerke, that Mr. Speaker do now resume the Chair. And this motion was duly carried.

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

Some Members: Agreed.

Mr. Speaker: May I have your further pleasure? The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Mr. Speaker, I would move that we now call it five o'clock.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Whitehorse Porter Creek, that we do now call it five o'clock. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the motion carried.

(MOTION CARRIED)

Mr. Speaker: This House now stands adjourned until Monday next.

ADJOURNED