



The Yukon Legislative Assembly

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Debates & Proceedings

Tuesday, March 1, 1977

Speaker: The Honourable Donald Taylor

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THE FIRST SESSION OF THE LEGISLATIVE ASSEMBLY FOR THE YEAR 1977, BEING THE EIGHTH SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE YUKON TERRITORY, WAS CONVENED IN THE ASSEMBLY CHAMBERS AT 3:00 P.M. ON TUESDAY, MARCH 1, 1977.

The Members present were:

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

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

Mr. Speaker: I have received a communication from Mr. Commissioner, acting in his role as Lieutenant-Governor stating that he would open the session at 3:00 p.m. today, the first day of March, 1977.

We are now prepared to hear the speech from the throne.

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

(The Commissioner presents the speech from the throne)

OPENING ADDRESS 1977 FIRST SESSION

Mr. Speaker

Members of the 23rd Wholly Elected Council of the Yukon Territory

As Commissioner and Chairman of the Executive Committee, I have the privilege and pleasure today of presenting the supplementary estimates for fiscal year 1976-77 and main estimates for 1977-78.

Before going into the details of our budget proposals, I would like to say a few words about the economic situation in Yukon.

There are major developments taking place around us that will have an important impact on Yukon.

The current gas and oil development in Alaska continues to have a spill-over effect on the Yukon economy and more of the same can be expected if there is similar development in the Canadian Arctic. Continuing construction of highway systems will add greatly to the prosperity of Yukon, particularly for the tourism industry.

The highway construction project announcement recently to reconstruct and pave the Haines road and the

North Alaska Highway will have a significant impact on Yukon. Only a minor effect on our economy from this project is expected in 1977-78.

Another project which could have far reaching economic implications for Yukon is a pipeline to carry natural gas from Prudhoe Bay to continental United States. We cannot predict that a pipeline will go through Yukon but we are actively studying the impact on the Yukon.

Another major development affecting the Territory is Yukon Indian land claims. Yukoners should realize the potential economic benefits that the land claim settlement will bring. Apprehension to date stems from the secrecy and mistrust surrounding previous negotiations. However, with the adoption of the cooperative planning process, the many fears and suspicions may be dispelled, making possible a settlement which will benefit all Yukoners.

The Minister of Indian and Northern Affairs in a recent letter has supported the territorial view that racial harmony, constitutional advancement and economic development in Yukon are interdependent. We now look forward to serious and sustained discussions on these topics both within the Territory and between the two levels of government.

ANNUAL BUDGET

Mr. Speaker, the revised estimates for the 1976-77 fiscal year include a total supplemental requirement of \$3,806,972 comprised of \$1,585,872 for operating and maintenance expenses, \$2,176,100 for capital expenses and \$45,000 for loan amortization payments. The major portion of the increase in O & M expenditures reflects settlements with the Yukon Teachers' Association and the Yukon Medical Association as well as inflationary pressures in such areas as utility costs. The increase in capital expenditures in supplementary estimates is due largely to fully recoverable expenditures made under the engineering services agreement and agreements with M.O.T.

Let me now turn to the annual budget for fiscal year 1977-78. In keeping with Members' requests for more detail of program expenditures in the estimates presentation, we are providing that additional information.

Mr. Speaker, this government remains committed to fighting inflation by presenting a budget which demonstrates a responsible spending program. The budget before you calls for operating expenditures of \$64,092,300 - capital expenditures of \$16,697,100 - loan amortization payments of \$1,450,000 and third party loans of \$5,100,000, for a total estimated expenditure of \$87,339,400 for fiscal year 1977-78.

The proposed expenditures are \$11,800,000 or 15.4 per cent more than the revised estimates required for fiscal year 1976-77 as reflected in our supplementary estimates. Of this increase \$8,400,000 is related to operation and maintenance expenditures and \$3,300,000 is for increased capital expenditure costs.

The largest part of the total increase is attributed to higher salary and wage costs with the remainder of the increase resulting primarily from inflationary factors reflected in higher material and services costs.

The proposed expenditure level for fiscal year 1977-78 coupled with projected revenues, recoveries, the

grant-in-lieu of income tax and the operating grant will result in a budgetary surplus of \$2,439,700 and bring our working capital to a level of \$5,745,800.

Past experience has shown that a working capital of 10 per cent of the operating budget is required.

It was this kind of responsible money management that allowed us to tough out the problems of last summer without a decrease in goods and services to Yukon taxpayers.

In a volatile economy based on primary industry, it is essential that we maintain this hedge against foreseen and unforeseen economic problems where the Yukon public expects its government to see them over the rough spots.

You may have noticed already, if you have purchased your new licence plates or business licence, that there are no increases over last year. In this period of economic recovery, it is important not to impose any additional costs on the people of Yukon. Accordingly, the government has decided that in fiscal year 1977-78, there will be no increase in taxes or fees to Yukon residents. This policy extends to medical premiums which will not be increased this year despite an anticipated shortfall of \$200,000 by year end.

Contracts with our government Employees' Association, the Teachers' Association and the Yukon Medical Association are all up for negotiation. Settlement of these agreements plus anticipated increases in utility costs and uncertainty in revenues will undoubtedly reduce our working capital substantially. Nevertheless, we feel that our working capital will be sufficient to protect us from fluctuating revenue levels and increasing costs.

With respect to capital expenditures, we are anticipating a working capital level of \$3,071,300. You will note that we have not at this time made any provision in the 1977-78 estimates for the fully recoverable capital expenditures under the Engineering Services Agreement. When such expenditures are known, we will present them to you by way of a supplemental estimate.

The departmental operating expenditures for the coming fiscal year, outlined in Table III, will be reviewed by this Legislature in detail and therefore, I will not deal with them in length at this time. However, I would like to highlight some expenditure aspects of each functional area of our government.

HIGHWAYS AND PUBLIC WORKS

With the completion of a further 59 mile section of the Dempster Highway, Yukon is responsible for the maintenance of 1,862 miles of all-weather highways and more than 600 miles of recreational roads. Work is progressing on the Carcross/Skagway section of the Klondike Highway, and it should be completed by the end of the year. The Dempster Highway will advance an additional 17 miles and the bridge at Eagle River will be completed this summer. Improvements in the maintenance of the Atlin Road will be undertaken this year because of increased traffic.

The Arctic Airports Program produced significant results at Dawson, Mayo and Faro in the past year. The program will continue at various locations and users of air transportation will enjoy better community airport facilities.

In April 1976, the Department of Indian Affairs and

Northern Development, in cooperation with the governments of Yukon and N.W.T., retained the services of a consulting firm to develop road maintenance and equipment systems for each territory.

As a result of recommendations, we will be embarking on a revised highway maintenance and equipment program during 1977-78. This revised system is designed to readily identify how maintenance dollars should be spent.

EDUCATION

The education budget for 1977-78 will maintain the current level of basic educational and recreational services. The increase over the 1976-77 budget reflects the increased costs of supplies and services and negotiated increases in salaries. However, the current estimates do include an allocation for a possible Yukon teacher training program in Yukon. Such a program would be an essential step towards staffing our schools with residents who have a commitment to Yukon. If the program is proceeded with it is anticipated that it will ultimately have a number of benefits such as providing a more stable teaching force, reducing rapidly increasing recruitment and removal costs and lessen the demand for government owned and maintained housing.

Although the current estimates in recreation basically reflect increased operation and maintenance costs, proposed legislation on recreation assistance programs will likely result in requirements for additional funds in 1978-79.

In addition, provisions have been made in our capital budget for adding a gymnasium to the Selkirk Street School and renovating the existing activity room for additional classroom space.

We have also provided capital funds for planning and the pre-construction phase of a gymnasium at Old Crow and the planning phase for an extension to the Watson Lake School.

HEALTH

Our health care delivery system continues to be one of the best in Canada. During 1976 Yukon took major strides to deal with alcoholism and drug abuses. These programs will be continued in 1977 with additional research, training and treatment programs. In these matters, this government will work closely with industry and other government bodies in Canada.

This government is continuing to press for early activation of the transfer of responsibility for delivery of health services in Yukon from the Ministry of Health & Welfare, Canada, to the territorial Department of Health, Welfare and Rehabilitation. Discussions with federal officials are continuing as are meetings with the Yukon Native Brotherhood who have been assured that the quality of health care delivered to them will remain a matter to be guaranteed by the federal government.

I am pleased to announce that the territorial Department of Health and Welfare is involved in a tripartite committee with Health and Welfare, Canada and the Yukon Native Brotherhood, which is establishing a project to test all the inhabited waterways of the Yukon for the presence of mercury and other contaminants in order to ensure that no Yukoners are being exposed to harmful amounts of these elements.

WELFARE

The Social Welfare Branch will continue to provide an extensive range of social services throughout Yukon during 1977-78. Some reorganizing and realignment of duties and programs is now taking place in this Branch. As a result, to date, the staff establishment has been reduced from 74 to 66.5 without any reduction in service.

This year the Social Welfare Branch will re-examine and evaluate existing programs to develop better service, with particular emphasis on the outlying communities. The Branch will also work with private social service agencies towards the development of standard funding arrangements. In particular, attention will be placed on the needs of senior citizens, pre-school children and adolescents. Efforts will be made to involve individuals and organizations in a review of social services.

CORRECTIONS

In the past few years, the number of inmates sentenced to the Whitehorse Correctional Institute has increased until now the building is at times accommodating twice as many residents as it was originally designed to hold. As well, more serious types of crimes are being committed in the territory and there appears to be an influx of professional criminals who are being sentenced to stay here. As a result, you will see a proposal in the Corrections budget for an increase in man years for security staff.

Increasing caseloads reflect our intent to provide a more effective preventive and rehabilitative program in Yukon through the probation service, which requires annual increases in staff to cope with the growing numbers handled.

Under capital expenditures, plans are now being readied for structural changes to provide a proper remand centre at the Whitehorse Correctional Institute, an improvement long overdue.

On the subject of our negotiations with the federal departments concerning cost-sharing arrangements for the juvenile training home at Wolf Creek, we have been told in recent weeks that the official papers will soon be signed and it is our understanding that this financing will be retroactive to 1976.

LOCAL GOVERNMENT

Payments of the unconditional per capita municipal grants have been adjusted to reflect the new population determined by the 1976 census. This budget also provides the cost of subsidies which must be provided for the operation of the community television system installed last year.

Yukon taxpayers will no doubt be pleased to learn that the never ending war on mosquitoes will be intensified during the coming year. There will be a combined aerial and ground spray chemical application in an attempt to increase the effectiveness of the program. One final try before we gracefully surrender.

Local Improvement District operating grants have been adjusted to reflect recognized higher operating costs. In addition, we will be offering two local improvement districts additional grant funds to enable them to recruit trained administrators.

Our capital budget includes the largest land development programs in Yukon's history. In addition to the start of a new residential subdivision adjoining Hillcrest in Whitehorse, lots for various use will be developed for sale in the communities of Haines Junction, Mayo, Watson Lake, Carmacks, Faro (Industrial), Ross River, Teslin and Destruction Bay. A number of communities will see the start of small holding developments.

TOURISM, CONSERVATION AND INFORMATION

The Tourism, Parks and Information Services budget for 1977-78 is presented as separate establishments reflecting the main activity areas for which the department is responsible, namely, tourism, parks and historic sites and government information services.

The tourism budget reflects an adjustment in priorities, especially in the area of marketing which will receive considerably more emphasis than in 1976-77. New initiatives are proposed for involving the private sector of the Yukon tourist industry in cooperation with government programs. No funds have been identified for new tourism research and planning but new systems for collection of annual tourism statistics will be developed.

Priorities for the parks and historic sites program place emphasis on the operation of Yukon campgrounds and planning for future development of a system of territorial parks and historic sites. Parks planning, now at the inventory stage, will continue and funds will be provided to plan for the preservation of Yukon's historical resources.

Information services will continue its ongoing programs of providing information on Yukon Government activity with emphasis on creating a better awareness of Yukon in the rest of Canada.

CONSERVATION

Our government recognizes that wildlife is a very valuable natural resource and we will continue to protect and develop the resource to the highest level possible.

A number of new projects are planned for the 1977-78 fiscal year. A long-term study is being initiated on the Pocupine Caribou Herd, with emphasis on the impact of the Dempster Highway on those animals. In another project a start will be made on mapping Yukon's wildlife habitat through the use of airphotos and satellite imagery. Emphasis will be placed on boosting the trapping industry through research on fur-bearing mammals, improvements in trapline administration and the compilation of harvest statistics as well as by educational programs for trappers. Other projects like the Old Crow Flats investigations and the big game inventory will continue.

One permanent technician will be taken on by the Game Branch. This employee as well as several casual summer assistants will help with the various projects. We will also have temporary employees in the district offices during the hunting season to look after inquiries, sell licences and issue permits when the conservation officer is in the field.

LEGAL AFFAIRS

The operating budget of \$2,940,000 is an increase of \$643,285 over the 1976-77 budget for Legal Affairs.

The main increase is attributable to the increased cost of police services resulting from pay increases authorized for members of the Force, general inflationary pressures and an increase of the cost-sharing percentage from 52% to 53% of the previous police services costs for Yukon.

A second courtworker will be added to the courtworker program during 1977-78.

SECRETARY AND REGISTRAR GENERAL

The hiring of a printing services coordinator is proposed to integrate all photocopying and printing requirements of the government, providing increased efficiency in internal production and improved communications and service from commercial firms. A second phase of this program will introduce a charge-back system to all departments for internally produced work, establishing financial accountability in each department.

We intend to hire a full-time boiler and pressure vessel inspector to conduct more extensive inspections throughout the territory. The present system whereby inspectors are brought in on a contract basis from other jurisdictions does not permit inspections on an as required basis and complete coverage of the territory has not proven possible. Concern for public safety necessitates a more comprehensive approach to the administration of this program.

LIBRARY SERVICES

On April 1, responsibility for the operation of records management in YTG will be transferred from the Territorial Secretary's office to the Library Services Branch. This will place responsibility for the implementation of the records management regulations, issued under the authority of the Archives Ordinance, more directly under the control of the Territorial Archivist.

New staff in the Technical Services Division and in the administrative section of the Library Services Branch will make possible a thorough review and reorganization of the methods used to acquire, catalogue and classify books and other types of library materials. This should assist in getting new materials to school and public libraries.

Early in the new fiscal year, the Yukon Archives will be recruiting an assistant archivist. Attention will be paid in recruiting for this position to skills in the collection of oral history. Funds have been budgeted to allow for an emphasis in the collection of historical material in the archives program.

TREASURY

The Treasury Department continues to play a vital service role in our government. During the past year the Auditor General of Canada carried out an in-depth study of our financial management and control systems and has made a number of recommendations which we wish to examine and implement. With this background,

Treasury will be reviewing existing programs with a view to improving the service to the public and the financial information available to departments. This will be achieved by realigning the Treasury organization rather than increasing staff.

A newer model computer will be installed in Treasury which will give us greater capability and flexibility for handling additional computer applications.

ADMINISTRATIVE SERVICES

The most significant change in the Clerk of Assembly's vote is the allocation of monies for the operation of legislative committees. The establishment of standing committees is an important step forward in the development of the legislature. Through your committees, the House will now have the ability to call on experts to assist and advise on important issues.

OFFICE OF ECONOMIC RESEARCH AND PLANNING

The Office of Economic Research and Planning is working toward the establishment of a socio-economic plan for Yukon. This will be developed in three phases with public input at all stages. The first is underway and involves a search to determine what approaches to developing such a plan have proven successful elsewhere. The findings will be presented in a report. Phase two will entail discussion of this report with interested groups and the development of a consensus. The third step will be to follow through with the approach that is selected. The result should be a socio-economic plan which has been arrived at in a manner chosen by Yukoners. The views and participation of the Members of the House would be welcomed at any stage in this process.

PUBLIC SERVICE COMMISSION

The Commission will continue to devote considerable attention to informing all segments of the territorial government of the role of the Commission in the administration of personnel matters within the government service.

YUKON HOUSING CORPORATION

To encourage home ownership in outlying communities, the Yukon Housing Corporation is developing a program to sell staff housing to territorial employees. The "Government Buy-Back-Plan" will provide an alternative in communities where an active real estate market does not exist.

While the Corporation's building program for the next fiscal year is limited, it will continue to assess existing housing programs, examine and monitor housing needs throughout the territory and develop housing alternatives in areas where the private market is unable to meet the needs of Yukoners.

CAPITAL EXPENDITURES

Proposed expenditures on capital projects total \$16,697,100. Of the total expenditure, \$4,459,000 will be recovered under cost-shared programs and \$11,606,000

will come by way of grants from the federal government. The remaining \$632,100 will come from our working capital.

LOAN AMORTIZATION

Loan amortization expenditures of \$1,450,000 will be fully financed through recoveries.

CONCLUSION

Mr. Speaker, the budget your government is proposing today is a fiscally responsible budget. It emphasizes responsibility in government and public sector spending.

This budget assures Yukoners that they will continue to have a high level of public service with no increase in taxation.

Mr. Speaker, the following money bills will be placed before you to give effect to the budget:

Second Appropriation Ordinance 1976-77
First Appropriation Ordinance 1977-78
Financial Agreement Ordinance
Municipal General Purpose Loan Ordinance
Loan Agreement Ordinance 1977

In addition, the Legislature will be asked to consider legislation dealing with insurance, credit union, real estate agents licensing, community assistance, liquor tax, recreation development, taxation and a number of policy papers.

Mr. Speaker, as in past years, my officers and I are prepared to assist you in any way.

A.M. Pearson
Commissioner

TABLES

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Mr. Speaker: At this time, I will call the House to order.

We will proceed with prayers at this time.

(Prayers)

Mr. Speaker: At this time, I would like to introduce to the House from Christ the King High School, the Pages who will be assisting the House during this Session. They are: Alistair Bruce, Sparky O'Donoghue, Kim Solonik, Brenda Paquet, Simone Chalifour, Kelly Clinaz, Lorri Silvestri and Sharon Tsiga.

It is indeed a pleasure for me to welcome to the floor of this Legislative Assembly, our new Pages and I would invite them to attend the House at this time.

(Applause)

Mr. Speaker: I would beg to inform the Assembly at this time that in order to prevent mistakes, I have obtained a copy of the Throne Speech which I will now lay on the table.

The Honourable Member from Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I move that the Speech from the Throne be considered a day following.

Mr. McCall: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Pelly River that the Speech from the Throne be considered on a day following.

Are you prepared for the Question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion carried.

(Motion Carried)

Mr. Speaker: The Honourable Member from Whitehorse North Centre?

Hon. Mr. McKinnon: Mr. Speaker, I beg to move, seconded by the Honourable Member from Whitehorse West that a bill entitled "Second Appropriation Ordinance, 1976-77" be now introduced and read for the first time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West that a bill entitled "Second Appropriation Ordinance 1976-77" be introduced and read a first 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: The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Mr. Speaker, I move that this House do now adjourn.

Mr. Fleming: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse South Centre, seconded by the Honourable Member from Hootalinqua, that this House do now adjourn.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion carried.

(Motion Carried)

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

(Adjourned)

TABLE III

DEPARTMENTAL OPERATING EXPENDITURE SUMMARY 1977-78

Detail	1977-78 Proposed	1976-77 Revised	Increase (Decrease)
Administrative Services	2,374,100	2,007,400	366,700
Treasury Department	2,524,700	2,437,300	87,400
Department of Education	14,130,700	12,665,300	1,465,400
Territorial Secretary and Registrar General	1,252,300	1,291,500	(39,200)
Department of Health, Welfare and Rehabilitation	14,401,300	12,698,400	1,702,900
Department of Tourism, Conservation and Information Services	3,390,800	2,588,100	802,700
Department of Legal Affairs	2,947,200	2,307,100	640,100
Local Government	3,587,700	3,324,800	262,900
Department of Highways and Public Works	17,269,400	14,190,700	3,078,700
Yukon Housing Corporation	2,214,100	2,201,800	12,300
Total	64,092,300	55,712,400	8,379,900

TABLE I

TOTAL EXPENDITURE SUMMARY 1977-78

Detail	1977-78	1976-77 Revised	Increase (Decrease)
Operating Expenditures	64,092,300	55,712,400	8,379,900
Capital Expenditures	16,697,100	13,427,600	3,269,500
Loan Amortization	1,450,000	1,088,900	361,100
Third Party - Loan Capital	5,100,000	5,273,000	(173,000)
Total	87,339,400	75,501,900	11,837,500

TABLE IV

CAPITAL EXPENDITURE SUMMARY 1977-78

Detail	1977-78 Proposed	1976-77 Estimate (Revised)	Increase (Decrease)
Treasury	156,400	175,000	(18,600)
Education	937,300	239,200	698,100
Territorial Secretary and Registrar General	-	1,000	(1,000)
Health, Welfare and Rehabilitation	127,000	259,800	(132,800)
Local Government	11,054,000	5,596,500	6,257,500
Tourism, Conservation and Information	232,200	196,400	35,800
Highways and Public Works	1,890,200	5,366,100	3,475,900
Yukon Housing Corporation	1,500,000	1,593,600	(93,600)
Total	16,697,100	13,427,600	3,269,500

TABLE II

SUPPLEMENTAL ESTIMATES

REVISED DEPARTMENTAL EXPENDITURE SUMMARY 1976-77

Detail	1976-77 Revised Estimates	1976-77 Main Estimates	Increase (Decrease)
Administrative Services	2,077,400	1,795,300	212,100
Treasury	2,437,300	1,853,400	583,900
Education	12,665,300	12,502,500	162,800
Secretary and Registrar General	1,291,500	1,358,700	(67,200)
Health, Welfare and Rehabilitation	12,698,400	11,901,200	797,200
Local Government	3,324,800	3,360,400	(35,600)
Tourism, Conservation and Information	2,588,100	2,522,000	66,100
Legal Affairs	2,307,100	2,303,700	3,400
Highways and Public Works	14,190,700	14,490,500	(299,800)
Yukon Housing Corporation	2,201,800	2,039,300	162,300
Total	55,712,400	54,127,200	1,585,200

TABLE V

SUMMARY OF REVENUE AND RECOVERIES 1977-78

Detail	1977-78 Forecast	1976-77 Estimated	Change
Grants			
In lieu of income tax	13,361,000	9,241,000	4,120,000
Operating	15,951,000	10,924,000	5,027,000
	29,312,000	20,165,000	9,147,000
Revenue	12,880,000	12,162,800	717,200
Recoveries	24,340,000	21,901,200	2,438,800
Total	66,532,000	54,229,000	12,303,000