



The Yukon Legislative Assembly

Number 3

8th Session

23rd Legislature

Debates & Proceedings

Thursday, March 3, 1977

Speaker: The Honourable Donald Taylor

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Whitehorse, Yukon Territory
March 3rd, 1977

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

(Prayers)

Mr. Speaker: We will proceed at this time with the Order Paper.

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any documents for tabling?
The Honourable Member from Whitehorse North Centre?

TABLING OF DOCUMENTS

Hon. Mr. McKinnon: Mr. Speaker, pursuant to Section 26 of the Financial Administration Ordinance, I have for tabling today, Government of the Yukon Territory Territorial Accounts for the fiscal year ended March 31st, 1976.

At this time, Mr. Speaker, and for the record, I would like to read into the record a letter from the Auditor General of Canada, accompanying the accounts. It was addressed to the Council of the Yukon Territory:

"I have examined the accounts and financial transactions of the Yukon Territory for the year ended March 31st, 1976. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In compliance with Section 26 of the Yukon Act, I report that in my opinion, proper books of account have been kept by the Territory, the financial statements of the Territory were prepared on a basis consistent with that of the preceding year, except for the changes as prescribed in notes 5 and 6 to the financial statements, and are in agreement with the books of account.

In the case of the statement of expenditure and revenue give a true and fair view of the expenditures and revenues of the Territory for the fiscal year in accordance with the accounting policies referred to in Note 1, and in the case of the statement of assets and liabilities, give a true and fair view of the affairs of the Territory at the end of the fiscal year in accordance with the accounting policies referred to in Note 1, and the transactions of the Territory that have come under my notice, have been within the powers of the Territory under this Act, and any other Act applicable to the Territory.

Yours sincerely,
J.J. McDonnell
Auditor General of Canada"

I think Mr. Chairman, that other governments in other areas in other places, would like to receive that same clean bill of health from the Auditor General of Canada, and I think it's a credit to our Treasury Department and the former Assistant Commissioner, Mr. Miller, for the way that the books have been kept in the past few years, and of the Yukon Territory. This is the last accounts that Mr. Miller presented to the House,

and I think that all Members agree that he deserves a very great show of appreciation and thanks for the responsible method in which he has handled the books of the Yukon Territory.

Thank you.

(Applause)

Mr. Speaker: Are there any further documents for tabling?

The Honourable Member from Whitehorse West.

Hon. Mrs. Whyard: Mr. Speaker, pursuant to Section 7 of the Health Care Insurance Plan Ordinance, I have for tabling the Annual Report of the Yukon Health Care Insurance Plan for 1975. And pursuant to Section 37(1) of the Interpretation Ordinance, I have for tabling a Report on Regulations.

Mr. Speaker: Are there any further documents for tabling?

Are there any Reports of Committees?

Are there any Petitions?

Are there any Introduction of Bills? Notices of Motion for the Production of Papers? Are there any Notices of Motion or Resolution? Are there any Statements by Ministers?

This then brings us to the Oral Questions Period. Have you any questions?

QUESTION PERIOD

Mr. Speaker: The Honourable Member from Hootalinqua.

Question re: Federal Leases

Mr. Fleming: Mr. Speaker, I have a question, I presume I should probably direct it to Local Government, although he will probably have to get the answer for me somewhere. In regards to Federal leases, on all the original leases we read what rights the individual has on those leases and I have now in my possession a letter from one of the federal agents that seem to give a lot more rights and what is in the lease, which I can't find anywhere in the Land Act. So, I'm just wondering if I could, if the Minister could get for me, the rights that the individual has on leases other than what is written into the lease?

Mr. Speaker: The Honourable Minister of Local Government?

Hon. Mr. McKinnon: I will certainly attempt to, Mr. Speaker.

I have a federal lease and I thought that I had no rights, I've got a 30 day removal clause to get off.

Mr. Speaker: Are there any further questions?

The Honourable Member from Whitehorse Riverdale?

Question re: Agricultural Policy for Yukon

Mr. Lengerke: Yes, Mr. Speaker, I have a question to the Minister of Local Government.

I understand you are going to be bringing forward a paper on land policy this particular session, and I'm wondering if embodied in that paper will be any matters pertaining to an agricultural land policy, and if not, when are you going to bring something forward on an agricultural policy for the Yukon?

Mr. Speaker: Is that question directed to me, or is that directed to the Minister of Local Government?

Mr. Lengerke: It's directed through the Chair to the Minister, Mr. Speaker.

Mr. Speaker: The Honourable Minister of Local Government.

Hon. Mr. McKinnon: Mr. Speaker, an agricultural policy will be alluded to in the land policy paper that will be ready for tabling hopefully next week.

Mr. Speaker? The Honourable Member from Ogilvie?

Question re: Referrals to Welfare Appeal Board

Ms. Millard: Mr. Speaker, a question for the Minister of Health, Welfare and Rehabilitation. How many referrals have been made to the Welfare Appeal Board, and how many have been acted upon?

Mr. Speaker: The Honourable Minister of Health and Welfare?

Hon. Mrs. Whyard: Mr. Speaker, there has been one appeal, and it has been acted on.

Mr. Speaker: The Honourable Member from Hootalinqua?

Question re: Chiropractic Treatments

Mr. Fleming: Yes, Mr. Speaker, I have a question for the Minister of Health this morning, regarding chiropractic treatments. Has there been any thought to including any chiropractic treatment whatsoever in the Yukon Health Care Insurance Plan?

Mr. Speaker: The Honourable Minister of Health and Welfare?

Hon. Mrs. Whyard: Mr. Speaker, there's been a considerable amount of thought given to this and there's been a great deal of pressure from people who would like to have this as an insurance service in the Yukon, and we are very sympathetic towards this desire on their part.

However, the last time we took a run at the figures for costs of including chiropractic in the insured services, it was in the hundreds of thousands of dollars, which we do not have available, and again, as in Pharmacare, we are hoping that there will be some time when we will have resources of our own, in order to enable us to add these additional services.

There are provisions in the Medicare Plan in Alberta and B.C. and a number of other provinces, for chiropractic services, up to a limit of approximately \$150.00

per family per year.

I know that in many cases, the lack of this as an insured service, works a hardship not only on the patient who requires the service, but upon the practitioner who in many cases provides it and does not recover the payment for the service.

We are still considering this. I would like very much to have enough money to make it available to people who require it.

Mr. Speaker: The Honourable Member from Ogilvie.

Question re: Community Employment Strategy Program

Ms. Millard: A question for Mr. Commissioner. At what stage is the Community Employment Strategy Program?

Mr. Commissioner: Yes, Mr. Speaker, I will bring that information back for the Honourable Member.

Mr. Speaker: The Honourable Member from Klondike.

Question re: Federal Land Freeze

Mr. Berger: Yes, Mr. Speaker, I tried yesterday with the Honourable Minister of Local Government and I'll try Mr. Commissioner this morning on the same question. Is there a land freeze in effect as of February 1st in the Territory or can individual people still apply to the federal government for lands and get a reply back on an individual basis, or is there a policy?

Mr. Speaker: Mr. Commissioner.

Mr. Commissioner: Mr. Speaker, if there is a policy which refers to the matter raised by the Honourable Member as of February 1st, I am not aware of it, but I will make some inquiries and bring back a definite answer as soon as possible.

Mr. Speaker: The Honourable Member from Ogilvie.

Question re: Nursing Staff of Father Judge Memorial Hospital

Ms. Millard: Mr. Speaker, a question for the Minister of Health, Welfare & Rehabilitation. Since the nursing staff of three in the Father Judge Memorial Nursing Station at Dawson covers a twenty-four hour day, seven days a week, and we see very little compensation for that, is it the Territorial Government's policy once the transfer of Health Services is over to them, to change that situation?

Mr. Speaker: The Honourable Minister of Health and Welfare.

Hon. Mrs. Whyard: Mr. Speaker, we've already made representations to the Regional Director of Federal Health Services to increase the staff at Father Judge Memorial Hospital and we gave what we thought

were very sound arguments for doing so. However, it is, as you know, Mr. Speaker, beyond our control at the moment and until the transfer of the delivery of health care in the Yukon is made to this Government, we have no jurisdiction over the staff in that hospital. They are federal employees and what they are paid is determined by the Federal Government, not by us.

Mr. Speaker: The Honourable Member from Ogilvie.

Ms. Millard: Mr. Speaker, supplementary. To repeat the question, is the Territorial government going to have a policy of changing that? Do they know now whether that's going to be changed? Once they have the right to change it?

Mr. Speaker: The Honourable Minister of Health and Welfare.

Hon. Mrs. Whyard: Mr. Speaker, this government would certainly be looking at every institution within our care and jurisdiction to ensure that the staff were paid an appropriate amount and that the staff was large enough to handle the services required by the community.

Mr. Speaker: The Honourable Member from Whitehorse South Centre.

Question re: Transfer of Health Care

Mr. Hibberd: Mr. Speaker, a question for the Minister of Health. Would she be in a position to give us an update on the progression of talks concerning the transfer of health care to the Territory?

Mr. Speaker: The Honourable Minister of Health and Welfare.

Hon. Mrs. Whyard: Mr. Speaker, how much time do we have? I know the question period is limited. Unfortunately, this is one of my favourite topics and I tend to go on at great lengths because I am very much involved. Perhaps the Honourable Member would allow me to bring in a written reply, which will be a little more to the point.

Mr. Speaker: The Honourable Member from Klondike?

Mr. Berger: Yes, Mr. Speaker, I have a supplementary question which the Honourable Member from Ogilvie asked the Honourable Minister of Health and Welfare. Does the Labour Standards Ordinance apply to federal government employees in the Territory?

Mr. Speaker: The Honourable Minister of Health and Welfare?

Hon. Mrs. Whyard: Yes, Mr. Speaker, it applies to all employers in the Yukon.

Mr. Speaker: The Honourable Member from Klondike?

dike?

Mr. Berger: And one supplementary, Mr. Speaker. Then why are nurses in the Dawson nursing station forced to work up to 70 hours?

Mr. Speaker: To whom would you direct that question?

Mr. Berger: The Minister of Health and Welfare, it's a supplementary.

Mr. Speaker: The Minister of Health and Welfare?

Hon. Mrs. Whyard: Mr. Speaker, I don't know why.

Mr. Speaker: Are there any further questions? The Honourable Member from Klondike?

Mrs. Watson: Mr. Speaker, I would like to ask a question from the Minister of Health, supplementary. Then why is not our Labour Standards Officer inquiring into the situation, it is our legislation.

Mr. Speaker: The Honourable Minister of Health and Welfare?

Hon. Mrs. Whyard: Well, Mr. Speaker, I would assume that there has been no complaint registered with the inspector, otherwise he would be inspecting and inquiring.

Mr. Speaker: Are there any further questions? We will then proceed at this time to Motions.

MOTIONS

Motion No. 1

Madam Clerk: Item 1, standing in the name of the Honourable Member, Dr. Hibberd.

Mr. Speaker: Is the Honourable Member prepared to discuss Motion 1 this morning?

Mr. Hibberd: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse South Centre, seconded by the Honourable Member from Whitehorse Riverdale, that it is the opinion of this House that the Chairman of N.C.P.C. be requested to attend before Committee of the Whole, for consideration of the following matters affecting the economy of the Yukon:

- (1) Power rates.
- (2) Plans for future power development.
- (3) The evolution of a Yukon Power Corporation; and
- (4) Such other matters as Members may wish to inquire regarding the N.C.P.C.

The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Mr. Speaker, I think the Motion is self-explanatory. On personal contact with the Chairman of N.C.P.C., he states that he would be delighted to

appear before Committee, and I think that the questions that are posed by the Motion are of considerable concern to all Yukoners, certainly the power rates are disabling economically to all Yukon citizens.

As a second matter, I think that all development or non-development in the Yukon is tied to power development, and it would be very useful to know what plans are being made on behalf of N.C.P.C.

Thirdly, we again run into the same problem of having something dictated to us by a corporation that is responsible to Ottawa, whereas these matters are of primary concern to Yukoners; and it would indeed be valuable if such a power corporation were answerable to the people of the Yukon.

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, just a few short words. I think the motion is most timely, especially in view of the fact that the electrical rate hearings will be commencing very soon, and also now that we've all had a chance to examine and analyze the task force report that has been put forward by the Department of Northern Affairs, and I think that in itself, after that examination, makes us want to ask very much, many questions of the Chairman, and as I say, I concur wholeheartedly as seconded in this Motion to have the Chairman appear before us.

Mr. Speaker: The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I certainly support the Motion, and I'm particularly pleased with the wording of the Motion, the Honourable Member's wording, particularly number 3, "The evolution of a Yukon Power Corporation". I think this gives us a great deal of scope if the Chairman does come and I will certainly support the Motion.

Mr. Speaker: Is there any further debate?

Some Members: Question.

Mr. Speaker: Question has been called. Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Motion No. 2

Madam Clerk: Item 2, standing in the name of the Honourable Member, Mr. Lengerke.

Mr. Speaker: Is the Honourable Member prepared to discuss Motion number 2 this morning?

Mr. Lengerke: No, Mr. Speaker, I would ask that this Motion be considered on a day following.

Motion No. 3

Madam Clerk: Item 3, standing in the name of the Honourable Member, Mr. Lengerke.

Mr. Speaker: Is the Honourable Member prepared to discuss Motion number 3?

Mr. Lengerke: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Whitehorse South Centre, that a special committee on pipeline development in the Yukon, be established to work in cooperation and liaison with the pipeline coordinator of the Yukon Government, and to observe and report on a continuing basis, to the Members of the Yukon Legislative Assembly, as to the progress and findings of any discussions and hearings that are held in this regard, and any other matters pertaining to pipeline development in the Yukon.

The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker.

I presented this Motion to the House to really seek out council's opinion to find out if we really should be appointing a one or two person committee and the main purpose, as suggested by the Motion is to provide an elected person to work in cooperation and liaison with the territorial government's pipeline coordinator.

As you know, he reports to the Commissioner through the socio-economic advisor, or the head of the socio-economic planning unit, I think I'm correct in that, and I just feel that in this day of pipeline discussions and the many inquiries, and the pipeline company statements and the various interest groups, the Chamber of Commerce and the C.Y.I., and the federal government, they all appear now to be having some input into pipelines.

They've all got inquiries going, they've got some funding. I really think that we should be monitoring on a continuing basis what the people of the Yukon are saying with respect to this matter. I think that we should certainly have some input, because we are going to be the body that are going to have to make decisions on that basis, and I want those decisions to be made on a first-hand basis, if possible.

I realize that the pipeline coordinator probably can be called as a witness before this House, so that may really suggest to me that we don't need a special committee, but I just don't think that's good enough.

I realize that he'll be having hearings, I think early in April. He'll be visiting as many communities in the Yukon as possible, he'll be discussing on a very informal basis with as many people as possible, and interest groups, and I think that to have some continuity that it would auger well for us if we had an elected person to accompany him, or an elected body to accompany him on the tour of the Yukon.

It's with this in mind that as I say, I have presented the Motion. It may be — I may be wrong in my thinking with respect to this, and as I say, there might not be a need to have a committee at all, but I know that other Members certainly have had some thoughts on the matter as well.

I have talked to the pipeline coordinator on many occasions myself, and he has suggested and welcomed the idea. I know now that the federal government have gone to their own Treasury Board to get some further funding for socio-economic and environmental study with respect to the pipeline.

The C.Y.I. have got, as we mentioned the other day, 120 odd thousand dollars. These efforts should be coordinated, they should be under one man, and I think that again we should, through a pipeline committee, might have some input into requesting the Minister, giving him some direction as to who he should name to that one man inquiry.

Those are some of my thoughts, Mr. Speaker. I would like to hear, and I welcome views of the other Members at this time.

Mr. Speaker: The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I would like to move that this Motion be referred to Committee of the Whole. I think the type of discussion, it would give us the freedom for the type of discussion that this motion requires.

Mr. Speaker: Is there a seconder?

Mr. Fleming: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Kluane, seconded by the Honourable Member from Hootalinqua, that Motion Number 3 be referred to Committee of the Whole. 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: This brings us along to Public Bills.

PUBLIC BILLS

Madam Clerk: Second reading, Bill 2, First Appropriation Ordinance, 1977-78.

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

Bill Number 2 — Second Reading

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 2 be now read a second time.

Are you prepared for the question?

The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I must say at second reading, express my opposition to this Bill, not in its entirety but for some very specific reasons, some very specific things that are in the Bill. I will be able to go into them more in depth when we go into the third reading or in Committee of the Whole. But, basically, I cannot agree. My differences are to that extent that I cannot agree with the philosophy of this Bill.

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 that the Motion is carried.

(Motion carried)

Madam Clerk: Second reading of Bill 3, Financial Agreement Ordinance, 1977.

Mr. Speaker: Yes, just before we proceed, shall the Bill be referred to Committee of the Whole?

Some Members: Agreed.

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

Bill Number 3 — Second Reading

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 3 be now read a second time.

The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, on Bill Number 3, I would certainly object to having it read a second time at this time. I think that we should leave the Bill where it is and not give it second reading until we've had an opportunity to go through more of the details.

That applies to several of the Bills that are there. They seem to have been tabled, introduced, given first reading and they are into second reading; we've got a whole bunch of them thrown at us, specifically those that are financial bills. Unless they're required to have second reading so that they can be discussed in Committee of the Whole, I do not think we should go into a second reading at this time for every Bill.

I just feel as though everything is sort of being thrust on you and you don't have the opportunity to consider it in the depth that we should. And these are very, very important Bills to everyone.

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

Hon. Mr. McKinnon: Mr. Speaker, I'd like to rise on a point of order which I think really the Honourable Member's question was. And it is the policy of the Government that all of the legislation gets introduced and tabled and proceeded with as quickly as possible. The reason for it is obvious — we are not a party system and there is no place for political manoeuvring or timing or planning of that sort with the state of the House as it is.

Mrs. Watson: Mr. Speaker, a point of privilege, that is not a point of order, Mr. Speaker, that is a point of privilege and it has nothing to do with what we are discussing at this time.

Mr. Speaker: I'll permit the Honourable Member to continue in debate.

Hon. Mr. McKinnon: And Mr. Speaker, the whole point of the matter is to get them in front of this House and we would be accused and condemned if we did not bring legislation before the House at the earliest opportunity. It is then the House's prerogative and the Committee's prerogative to decide which way they will handle them, which is exactly what they can do once they are before Committee.

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 that the motion is carried.

(Motion carried)

Mr. Speaker: Shall this Bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 4, Loan Agreement Ordinance, 1977, Number 1.

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

Bill Number 4 — Second Reading

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 4 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 4 be now read a second time.

The Honourable Member from Klwane.

Mrs. Watson: Mr. Speaker, I must again object to the Bill being given second reading. Mr. Speaker, I have no objection to bills being introduced and given first reading, but a very important step in a bill is the second reading and when they're rushed through, jammed through in a whole bunch, we're not given the opportunity to consider them at second reading, and that has nothing to do with party politics or political manoeuvring at all. It's just a basic right that every Member of the Legislature has. Proceed if you wish, but I'm going to object.

Mr. Speaker: Yes, I would just like to point out for all Members that it is competent for any Member to discuss the philosophy of any bill at second reading ...

Mrs. Watson: Right.

Mr. Speaker: ... but its content, of course, cannot be considered at that time.

Is there any further debate? Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mrs. Watson: Disagree.

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

(Motion carried)

Mr. Speaker: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 5, An Ordinance to Amend the Community Assistance Ordinance.

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

Bill Number 5 — Second Reading

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

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

The Honourable Member from Klwane?

Mrs. Watson: Mr. Speaker, again I would object on the same principle, and for the same reason. You're just bypassing the Legislature one whole step in the Bill and I think we're going into a very dangerous situation and we should not permit it. If any Member wants to have time. We have enough work in the Committee right now. If any Member wants time so that they can go over in

more depth, so that they can speak to the philosophy of bills, we should give them that opportunity, Mr. Speaker.

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

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mrs. Watson: Disagreed.

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

(Motion carried)

Mr. Speaker: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading of Bill 6, Municipal General Purposes Loan Ordinance.

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

Bill Number 6 — Second Reading

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 6 be now read a second time.

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: And shall the Bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 7, An Ordinance to Amend the Taxation Ordinance.

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

Bill Number 7 — Second Reading

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that Bill Number 7 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 7 be now read a second time.

The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, on this one, very, very specifically, I must speak up. We got the bill yesterday. There's a distinct philosophy in this Bill. There's a distinct method whereby we're deviating from the Taxation Ordinance.

We haven't had this one very short bill, but we certainly haven't had the opportunity to review the ramifications, so I would request, on this specific bill, that Members defer second reading until a later date.

Mr. Speaker: Is there any further debate?

The Honourable Member from Whitehorse North Centre?

Hon. Mr. McKinnon: Mr. Speaker, debate should be on the principle of the bill, the principle of this amendment to the Taxation Ordinance. It's a very simple and not too complicated piece of legislation at all.

In 1972, when the new Taxation Ordinance was passed, and the Honourable Member from Kluane was on the Executive Committee at that time, there was an oversight in the bill in that, if an assessment was not done within five years, there was no method in which that assessment roll could be extended for the period of time until a new assessment was done.

It was, in the previous Taxation Ordinance. It is part of every Taxation Ordinance in every province, and the Northwest Territories, and it's just common sense that if for some reason, primarily the difficulty in getting assessors and getting assessments done on time, that a taxation roll should not be invalid if it can't be done within a specified time, and that there should be some saving clause, which there is in every legislative body across the country, to be able to extend that period of time.

I think it was an oversight; it was present in the prior taxation legislation and was not in the amendment to the Taxation Ordinance when it was done in 1972. That's the simple amendment and there is nothing devious and nothing complicated about it, and the municipalities have asked us to get it in front of the House as quickly as possible in case there are any further disputes on the matter of assessment, Mr. Speaker.

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 that the motion is carried.

(Motion carried)

Mr. Speaker: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 8, Insurance Ordinance.

Mr. Speaker: The Honourable Member from Whitehorse West?

Bill Number 8 — Second Reading

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 8 be now read a second time.

Mr. Speaker: I note that the Honourable Member from Whitehorse Porter Creek is not present at this time.

Hon. Mrs. Whyard: Mr. Speaker, the Honourable Member from Whitehorse Porter Creek has given his assent as seconder of this Bill.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 8 be now read a second 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: And shall the bill be referred to the Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 9, Real Estate Agent's Licensing Ordinance.

Mr. Speaker: The Honourable Member from Whitehorse West.

Bill Number 9 — Second Reading

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 9 be now read a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 9 be now read a second time.

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: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading of Bill 10, Credit Union Ordinance.

Mr. Speaker: I don't believe the Honourable Member is present at this time.

Bill Number 10 — Second Reading

Hon. Mrs. Whyard: Mr. Speaker, you're absolutely right, the Honourable Member is having a baby. Mr. Speaker, I would move, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10, Credit Union Ordinance, be now read for a second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 be now read a second time.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Mr. Speaker: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Madam Clerk: Second reading, Bill 11, An Ordinance to Amend the Liquor Tax Ordinance.

Mr. Speaker: The Honourable Member from Whitehorse West.

Bill Number 11 — Second Reading

Hon. Mrs. Whyard: Mr. Speaker, I would move, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 11, An Ordinance to Amend the Liquor Tax Ordinance, be now read a second time.

Mr. Speaker: It has been moved by the Honourable

Member from Whitehorse West, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 11 be now read a second 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: Shall the bill be referred to Committee of the Whole?

Some Members: Agreed.

Mr. Speaker: This brings us to the end of Public Bills. May I have your pleasure at this time?
The Honourable Member from Pelly River.

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

Mr. Speaker: Is there a seconder?

Mr. Hibberd: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Whitehorse South Centre, that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I declare the motion carried.

(Motion carried)

(Mr. Speaker leaves Chair)

COMMITTEE OF THE WHOLE

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

(Recess)

Mr. Chairman: I now call this Committee to order. We will continue with debate on the Second Appropriation Ordinance, 1976-77. We will begin with Vote Number 7.

Mrs. Watson?

Mrs. Watson: Mr. Chairman, in Vote Number 6 I

believe the Minister of Local Government was going to give us more specific information on 605 because I had some questions, as I indicated yesterday, I would like to question some of these things, and I would hope that we can finish Vote 6 before we go on to Vote 7.

Mr. Chairman: I had stood Establishment 605 over until you had a chance to read that information, and we would be coming back to it.

Mrs. Watson?

Mrs. Watson: Mr. Chairman, I have the information. I have the questions ready and, with your permission, I would like to go into it now before we go on. It would save us coming back to it, if the Committee is in agreement.

Mr. Chairman: Mr. Sherlock?

Mr. Sherlock: Mr. Chairman, I was just going to mention that we do have three handouts, replies to questions on Establishment 160 and Establishment 210 and Establishment 605. They have been passed to the front — I think they are being handed out now. If you wish to discuss them, they're available.

Mr. Chairman: Very well, they may be handed out now, but we will come back to them in order, I think that would be preferable.

Is it Committee's wish that we proceed with Establishment 605 at this time?

Mrs. Watson: 605?

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I have one question also, and I will stand by your ruling. On Establishment 600, I had the opportunity to go to legislation, which I wanted to do yesterday.

Now, I can bring it — I would like to bring it up today, but I can wait until we go back to it, but it might be a good idea to get these cleared up before we go on to another vote.

600, I have questions on Establishment 600 and 605. With Committee's concurrence, I would like to proceed with them.

Mr. Chairman: I would point out that we have had to stand several of the votes until more information was forthcoming, and we will have to go back to them separately, and I would prefer to do it in order.

However, we were still on Vote 6 yesterday, and if Committee concurs, we will continue with Vote 6 at the present time.

Is Committee in agreement?

Some Members: Agreed.

Mr. Chairman: With Committee's concurrence then, Mrs. Watson, regarding Establishment 600?

Mrs. Watson: Establishment 600, the study regarding electrical franchises, which I believe the Minister said was going to be carried out by a Mr. Kidd who's very capable, and I must agree with him on that, and I

believe they estimate the cost of the study at \$10,000.00.

So I took the opportunity to review the Electrical Public Utilities Ordinance as it applies to franchisees.

Section 19 of the Public Utilities Ordinance, which we amended, which makes provision for interim franchisees to be granted for various communities. But my question is, I'm questioning the need for the Territorial Government to expend the \$10,000.00 on the study regarding franchisees when the Electrical Public Utilities Ordinance, the whole concept behind it, is that the Electrical Public Utilities Board will carry out the study on the franchisees.

If you will look at Section 20, 21 and 22, 20(1) says, "The Commissioner may, with the approval of the Board, grant, renew or alter a franchise to a public utility to operate outside of a municipality."

21(1), now this refers to the municipalities, "A franchise granted by a municipality, or an alteration thereto or a renewal thereof, granted, made or entered into after the coming into force of this Ordinance, shall have no effect until approved by a Board."

Now, the Board will have to do a study before they can approve it.

22(1), "The Board shall not approve a franchise unless (a) the person seeking the franchise" — now this is the company, the person seeking the franchise would be a company; they apply to have a franchise in communities — "has satisfied the Board that his scheme for the supply of electricity is reasonable and sufficient having regard to the general circumstances in the area to be served, and (b) the Board is satisfied that, having regard to the availability of any other source of supply in the area and to any other circumstances, the granting of a franchise is to the general benefit of the residents of the area, directly or indirectly affected thereby."

The Government of the Yukon is the body that is responsible to finance the operation of the Electrical Public Utility Board.

Now, this legislation that we passed states very clearly that the application to have a franchise in any of the communities in the Territory, or in any of the municipalities in the Territory, will have to be made to the Board and the Board will have to do the assessment and the review of the specific application.

I cannot understand why the Territorial Government is embarking upon a study worth \$10,000.00 to review franchisees when the Board will have to embark upon the same type of study when they get these applications for franchisees, and we fund that Board.

Now, I would certainly think that the Territorial Government would not presume that they could give the report that is supposed to be done now under 600 to the Board, because we would not want the Board or any of the people of the Territory to think that the Territorial Government is dictating to the Board. That would be the last thing we would want to do.

It is our right — it is our responsibility to make sure that the communities get the best deal possible in a franchise. That's why we set up the board, to take it out of the political arena.

Now, why are we doing a study on franchisees for \$10,000.00 when that money should be ready and available to the Board, when the applications for franchisees come to them from the suppliers of electricity? I think this is very, very important.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, up to this point in time, the Yukon Electrical Public Utilities Board has considered its mandate to be that they would do the technical and the accounting types of studies that are necessary to prove to themselves that the applicant for the franchisees, the figures, technical data and accounting is correct.

Any of the people, any of the authorities who were giving the franchise, such as the municipalities, have to this point in time done their own particular studies as applies to their own particular needs of their electorate and their constituents.

We have had one experience before the Electrical Public Utilities Board, because we hadn't done our homework and because we did not have the expertise on staff to answer the questions that the Electrical Public Utilities Board asked; it was an unmitigated disaster on behalf of the Department of Local Government and the people of the Yukon Territory that we are representing.

I made the decision at that time that we were not going, once again, ever to be embarrassed by not having the answers to the questions that the Electrical Public Utilities Board asked, that we did not have the expertise in our Department, which we don't, to be able to answer those questions which are asked by the Electrical Public Utilities Board, and the next time we went before the Board that we were going to have the interests and protection of all Yukon people at heart when we answered the questions on behalf of the people of the Yukon, to get the best deal and franchise that we possibly could on behalf of them.

That's what has happened up to this point in time. I think that it's a sound investment and a good expenditure of money, knowing the way that the Electrical Public Utilities Board has handled its mandate up until this point in time, and I would just let the franchisees go rather than making fools of ourselves once again before the Electrical Public Utilities Board, unless we have somebody on behalf of the Government of the Yukon Territory, then it's going to make sense.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, that's exactly what I expected the Honourable Member to say. All right, fine, that's what you're saying; then I say to you, amend the Electrical Public Utilities legislation. You delegated the power to them, we did, in this Legislature. We have delegated the power to them.

Now you're saying they don't do a good enough job ...

Hon. Mr. McKinnon: I did not. Mr. Chairman, on a point of privilege ...

Mr. Chairman: Order, please.

Hon. Mr. McKinnon: ... I did not say that at all. I said that they have taken their mandate to me.

Mrs. Watson: Mr. Chairman?

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I think it's very im-

portant, extremely important at this stage of the operation of the Electrical Public Utilities Board, that the Territorial Government, that no arm of government, interfere and presume that they have to do the work that the Board is not doing. We gave them that power.

Now, when the Electrical Public Utilities Board can have hearings on franchises, and the Y.T.G. can appear as a witness, just as anyone else can, but to spend \$10,000.00 on a separate study when the Board will require that type of funding to do the review for the applicants for a franchise that they are supposed to do.

We have made that commitment in this legislation, and if we don't want them to act that way, and we say exactly what the Honourable Member said, it is up to Y.T.G., and I say Y.T.G. said, it is up to the Board. The Board is satisfied that, having regard to the availability of any other source of supply in the area and to any other circumstances, the granting of the franchise is to the general benefit of the residents of the area, directly or indirectly affected thereby.

Let us not duplicate, let us not start interfering with the function of that Board.

I submit to the Honourable Members that we are in for a very, very dangerous situation. We hear so much of this across the country, where governments have boards and then in some way try to influence the boards and that is not the function of Government, nor is it to be the function of government. The decision was made to go with the Board, the Electrical Public Utility Board. I submit that we're only duplicating by providing the \$10,000.00 for a franchise study done by Mr. Kidd.

Mr. Chairman: Mr. Berger.

Mr. Berger: Yes, Mr. Chairman, I'm getting confused here because I don't think the Honourable Minister of Local Government said all those things. I would like to ask him a question. Isn't this study supposed to be a study on different franchises available to the municipalities or the territorial government?

Hon. Mr. McKinnon: Well, Mr. Chairman, the municipalities do their own studies and make their own deals with the suppliers because they are given that right under the Municipal Ordinance. The territorial government does not interfere in the municipal areas. The municipalities go before the Public Utilities Board, answer questions, say they want this deal or that deal changed and answer questions to get the best deal possible on behalf of their constituents and municipal people.

This area where the Yukon is involved are on those areas which are not municipalities, L.I.D.'s and unorganized areas where franchises are due now and past due. We have said that we want to act on behalf of the people of the Yukon Territory in being able to answer the points and questions that are put by the Public Utilities Board to each individual franchise and that we haven't got the capabilities of doing that at the present time within house, within our department. We have to hire some expertise to be able to do that.

Mr. Chairman: Mr. Berger.

Mr. Berger: Just a supplementary. I thank the Honourable Minister, but what I actually wanted to say that

the communities in the Territory, not the municipalities, but it's my understanding that if the municipalities, the three municipalities, want those studies, those studies will be available to them?

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: They'll be presented at the hearings of the Yukon Electrical Public Utilities Board, they will be public documents, Mr. Chairman.

Mr. Chairman: Mr. Berger.

Mr. Berger: I just want to say that I can see nothing wrong with this type of study. I went to the last hearing and I know what the Honourable Minister is referring to and I would say that it's a welcome thing for the Territorial Government to come up with a study like this and I have nothing against it at all.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Yes, Mr. Chairman, I think the Honourable Member from Klondike asked most of the questions I wanted to ask, but I would like to know if the study, if the Minister of Local Government can tell me if the study has been initiated, has it been awarded already to the person so named, Mr. Kidd. What would be the time period on it and is it going to take the full \$10,000.00. Could I also have the terms of reference that by which the study has been initiated? I think that this would be some of the things that we should have before we can further debate this.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, all these questions were asked yesterday. I told Honourable Members that I would provide this information as quickly as it was made available from the Department of Local Government. I have not received those answers to this time and that's why the questions would probably be put over until the questions that the Honourable Member from Klouane had asked were answered.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: I think that there's quite a bit of misunderstanding with the Honourable Member from Klondike. The Territorial Government does not enter into franchises for the municipalities. The municipalities do this. And the applications for a franchise are not made to the municipality or to the territorial government. They're made to the Utility Board — the application.

Now if the two companies want to make the application, or whoever, if there's a third or a fourth, they make the applications at that time to the Board. A am saying we are going to have to fund that Board to do — probably more than \$10,000.00 because there are quite a few franchises due. The board will require that kind of funding to review the applications for a franchise in Whitehorse, there's one due in Dawson, Faro, all of these places.

The Board is going to require a great deal of funding, likely to do the reviews that will be required. Therefore,

this is why I'm making the point.

Now, why are we going into a \$10,000.00 study where we have to fund a board to do a study on franchises? Now how in Heaven's name can Mr. Kidd do a study on franchises when, and maybe I'm not aware of it but, has there been application made from the electrical companies on various franchises?

You know, has the — like the franchise in my community, I believe is due in '77. Has there been an application by N.C.P.C. or Yukon Electric to YTG to the Commissioner to renew or to get entered into a contract, a franchise?

Until you get that, how can you analyze it? Then you're going to need more expertise to go into the specifics of it. This is very, very important. You're doing, in this study, what the Board should be doing. I could see if you asked for some quite minimal sum of money, to have someone to assess for YTG, these various applications for a franchise, but this type of thing, you're taking over the function of the Board with that.

It's quite obvious that quite a number of the Members do not agree with me, but I think in the long run, they'll find that I am correct, we are duplicating and almost saying we must step on the toes of the Board, and I just can't condone that, and I would certainly be opposed to that, Mr. Chairman.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, I don't agree with the Honourable Member for Kluane on some of her statements. I certainly recognize her concern, I think we're talking apples and oranges. As I understand it, the Department of Local Government would be making representations to the Utilities Board on behalf of the unorganized communities in the case of assessing a franchise.

I think that, again as I said earlier, I'd like to see the information tabled, that we'd asked for, before any further discussion takes place on this, Mr. Chairman, so that we do in fact have a clearer picture of it. I may have to apologise to the Honourable Member for Kluane after seeing that, but it may not be apples and oranges, but I think I'm right in saying that it is apples and oranges in this case and it's two different matters and what she's referring to is strictly a Board situation and the Minister of Local Government, his study is referring to an application on behalf of unorganized communities.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: Mr. Chairman, I'm a little confused. I have to agree with the Honourable Member from Kluane on some parts of this, but in the Yukon Territory and in the outlying districts, I just don't know who Mr. Kidd is going to decide has the contract, or the franchise on this case, when actually there is no franchise to be given, because we have N.C.P.C., A Crown Corporation on one hand, we have Yukon Electric on the other hand, and one is selling to the other one, there is no competition and I'm just wondering what his, what he is actually going to be doing when it comes to saying does Teslin get a franchise or don't they get a franchise?

For why? We don't have much choice. We either have them or we don't have them and we don't have any power. I'm wondering just why we now have to have a

person deciding this. I'm wondering, what is his decision going to be? Is he going to decide that power is too much out there and say no, they can't have a franchise or is he deciding upon who will have that franchise? And if so, where are the other bids coming from for these areas?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, the Yukon Electrical Public Utilities Board hears the application for a franchise, they listen to intervenors, they act as a bona fide Public Utilities Board. The municipalities have got the clout, the resources and the money to be able to intervene on behalf of their constituents before the Public Utilities Board to make sure their people get the best deal possible in a franchise.

The Teslin LID has not got the expertise and the clout to be able to do that. Neither has the Haines Junction LID, nor has any of the unorganized communities throughout the Yukon that all, by law, have to have franchises with a utility company. We're saying that we want to be able to provide that expertise before the Public Utilities Board to get the best deal that we possibly can for those people of the Yukon, who do not have the resources to be able to intervene on their own behalf before the Electrical Public Utilities Board. We say we don't have this ability to act on your behalf within the Government of Yukon Territory at this time and that we want to make sure that we have the same expertise and clout before the Public Utilities Board, as the municipalities have, by hiring experts when they go before them.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman. I just would like to answer the Honourable Member from Kluane, but I do have an understanding and I think I have a better understanding of what it's all about, and I agree with the Honourable Member from Riverdale.

She's talking about apples and oranges, because unless you have the expertise at the Board hearing to represent the unorganized communities, you're going to get nothing and this is exactly what the study is all about.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I think probably had the Government of the Territory done a little bit more homework in the past, we wouldn't be in the mess that we are in now with the electrical franchise.

The Honourable Minister said that the L.I.D.'s don't have to have the expertise, this is very true. They don't, and they don't enter into the franchise, the Commissioner enters into the franchise on their behalf. But you know, we've had these hearings before, and we've never had YTG and it doesn't require a great deal of expertise to do some of the work that we have quite a great staff on hand at the present time, and I don't think that we are discussing apples and oranges.

However, I do agree with the Honourable Member from Riverdale that the terms of reference would certainly indicate whether we are — the terms of reference of the study and I am prepared to stand this section

aside until we come back to it, if the Honourable Minister will table, for our benefit, the terms of reference of the study, and the agreement that was entered into with Mr. Kidd for the study.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, I already promised that yesterday afternoon, Mr. Chairman.

Mr. Chairman: Yes, I think we will be debating the same thing again when that comes in, so I would like Committee's permission to stand over that Establishment as well as that Vote, until further consideration. Is the Committee agreed?

Some Members: Agreed.

Mrs. Watson: I have questions on 605.

Mr. Chairman: Yes, and we have other sections in other Votes to come back to as well, Mrs. Watson, and we are going to have to come back to them all, and that is the orderly way which we would like to go about it.

Mrs. Watson: Mr. Chairman, with respect, I don't think that you're trying to cut off debate, or you're trying to in any way stop the ability of Honourable Members to get information from the government, particularly on money matters.

The questions I have on 605, I'm sure that some of the answers will have to be brought back, so if we go back to 605, then we'll be going back a third time, because I feel it an obligation on my part to get answers to some of these things. I'm not necessarily criticizing, I want to know, and I have a right to know, Mr. Chairman, and if you want to stand it aside, fine, but you're liable to have to stand it aside a third time.

Mr. Chairman: Mrs. Watson, we already will be standing it aside a third time. At the request of Committee yesterday, it was stood aside at that time for further consideration.

So it's at least three times now. Do you want to make it a fourth?

Mrs. Watson: Mr. Chairman, I had the assurance of the Honourable Member that material would be available, that was passed out. Now, I said have it passed out last night, so that we would have it over, so we could be ready for it this morning. I was given that assurance and I got it this morning.

Mr. Chairman: The same thing applies to every other piece of information that has been required by Committee to follow up.

If the Committee so wishes, we will consider Establishment --

Hon. Mr. McKinnon: I don't understand what we're getting into. I don't think there was any promise. I think that I said I would get it as quickly as possible, and the information was put together this morning for Honourable Members, and I think that's pretty good timing. I'm quite proud of the way that Treasury and Local Government are attempting to get these answers to the

Members as quickly as possible.

You should have no problem at all in debating or answering questions on it. I said I would get it, and there it is the next morning.

Mr. Chairman: The point the Chair is trying to make is that if every time we request information, it lands back on the floor of the House, then we immediately revert to that thing, or are we going to go through it in an orderly way?

Mrs. Watson: Mr. Chairman, with respect, we hadn't left Vote 6 yesterday. However, I'm quite patient, I have my questions and I'm prepared to sit on them until we come back to them. I'm quite prepared to go ahead with Vote 7.

Hon. Mr. McKinnon: A point, we finished local government at about five to five o'clock last night, and the information was here at 11:00 o'clock this morning. I still say that's pretty good timing.

Mrs. Watson: Read your Votes and Proceedings, I said can we have them so we will study them overnight, and you said yes, and I asked you out in the hall, I said are you going to get me that information and you said yes.

Mr. Chairman: We will proceed with Vote Number 7 at the present time.

Department of Tourism, Conservation and Information, \$65,868.00, page 28.

Seven hundred, Administration, \$50,855.00.

Mr. McCall?

Mr. McCall: Mr. Chairman, could I have a little information on that, please?

Mr. Chairman: Mr. Williams?

Mr. Williams: Most of that money is a revote. The \$50,000.00 in salaries and wages, and an overspending of about \$82,000.00 in other.

In the 1975-76 budget year, the Department, or the Tourism Branch had approximately \$80,000.00 allocated to them to have some brochures printed. They, in fact, ordered the brochures, but the brochures didn't come in until this current fiscal year, so the money was not spent last year, and so it's a revote.

The \$30,000, which has lapsed, relates to several vacant positions they've had from time to time through-out the year.

Mr. Chairman: Ms Millard.

Ms Millard: Mr. Chairman, I'm interested in the information we received this morning concerning the civil service vacancy rate. The 8.2 percent which is referred to here in vacant positions under this Establishment, is that a high rate or is it a normal rate of vacancies?

Mr. Williams: Just talking to the Public Service Commissioner, I believe that that rate is probably slightly lower than the normal rate and the reason given is that in spite of the fact that there has been a hiring

freeze for the last few months, there has also been a lower turn-over during the last few months. Apparently jobs are harder to get and people are staying put longer, so that figure of 8.2 percent probably comprises with a long term average of perhaps 10 or 11 percent.

Mr. Chairman: Clear?
Seven oh one. Campground Maintenance, decrease \$6,952.00.
Clear?

Some Members: Clear.

Mr. Chairman: Seven twenty. Game Branch, decrease \$22,362.
Mr. McCall.

Mr. McCall: A little explanation, please.

Mr. Williams: With respect to the Game Branch, basically all the lapsing of funds relates to vacant positions. Most of it relates to the Director's position, which has been vacant since last fall. And I believe early in the year there were one or perhaps two or three biological positions which didn't get filled by April 1. They got filled later in the spring or in the summer.

Mr. Chairman: Mr. McCall.

Mr. McCall: Yes, Mr. Chairman, these vacancies, is there no active recruitment going on, Mr. Chairman, to fill these vacancies?

Mr. Chairman: Mr. Williams.

Mr. Williams: The only position which is vacant right now is the Director's position and that is being actively recruited.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Seven thirty. Libraries Services Branch, \$44,327.00
Mrs. Watson.

Mrs. Watson: Mr. Chairman, we've already voted \$65,677.00 for rental for Library Services and now we're looking at another 44,000. That seems an awful lot of money for rental. Maybe there's some explanations for this.

Mr. Chairman: Mr. Williams.

Mr. Williams: Yes. You may recall yesterday we had another large adjustment, I believe it was in the Records Section. This is a combination of two things once again. First of all, the original estimate was in error. We didn't allow for in fact the total square footage that should have been allowed for. And then secondly, during the year, the rental rate was increased slightly, but the library, because of the size of it and I think it relates to aiseways and that sort of thing, does have a very large square footage. Basically, of that their total rental expense of the library is about \$118,000.00 and I don't have an exact breakdown, but the vast majority of it is the

internal rental. Some of it relates to rents paid in the outlying areas for the various community libraries they have. Most of it is our internal YTG rental rate.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: That does include the community library facilities, too, in that?

Mr. Williams: The total rental expense of \$118,000.00 does, yes.

Mrs. Watson: Thank you.

Mr. Chairman: Clear?
Vote Number 7, \$65,868.00.
Clear?
Department of Legal Affairs. \$3,423.00 Page 31.
Establishment 800. Legal Services, decrease \$12,519.00.
Mr. McCall.

Mr. McCall: Could I have an explanation, please?

Mr. Chairman: Mr. Williams.

Mr. Williams: With respect to Establishment 800, \$5,000 of that lapsing relates to vacant positions which occurred from time to time throughout the year and the remaining amount of \$7,000.00 represents underexpenditures in various categories. For instance, they underspent about \$3,000.00 on rent. They underspent by about \$3,600.00 on the rental of the equipment. And then there were a number of smaller items to make up the entire total of 7,000.

Mr. McCall: Mr. Chairman?

Mr. Chairman: Mr. McCall?

Mr. McCall: I notice the explanations being given to us in this particular area of estimates. It seems to me that a set pat answer of vacancies keeps cropping up, and I am just wondering, do we have anybody left in the government?

Mr. Chairman: Mr. Williams?

Mr. Williams: Just as a general comment, as we pointed out a minute ago that the current vacancy rate is 8 per cent, the long term average is 10 per cent. When we draw up our budget, we do, in fact, allow each department to budget for an entire year's salary for all their positions, and just through the normal turnover that we do have, I think the Assembly can expect almost every year that there are going to be miscellaneous savings in salaries.

It's hard to pinpoint in advance what departments are going to have a lapse in salary dollars, and which ones aren't, and it causes us problems budgeting, and that's why we've always allowed everybody a full budget. But realistically speaking, I think we're always going to have lapsing amounts because of the 10 per cent vacancy factor.

Mr. Chairman: Clear?

Eight oh, one, General Administration, \$39,763.00.
Ms. Millard?

Ms. Millard: Yes, Mr. Chairman, I would just like to know how that's broken down between increased professional and special services costs and rental charges.

Mr. Chairman: Mr. Williams?

Mr. Williams: Once again, 801 is comprised of a number of items. There was a slight saving in salaries of \$3,600.00, and an overexpenditure in other areas of about \$43,000.00. Of that \$43,000.00, approximately \$17,000.00, or almost \$18,000.00 related to overexpenditures in professional and special services.

They found, for instance, that as the year progressed, they had to hire an additional court reporter, because of the volume of work. Escoring charges from the R.C.M.P. went up, and I believe there was some increases in witness fees.

Those were the main components of the \$18,000.00. Then, with respect to the \$26,000.00, once again, I believe most of that relates to internal rental rates. As I said before, the rental rates went up during the year, and one of the reasons why they went up was because there were a number of cost increases, for instance, in the Federal Building, D.P.W. raised our rent there.

Those are the main reasons why there's an overexpenditure in that Establishment.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, Just a comment on the rental rates. I understood it went up from approximately 6.50 a square yard, to \$7.00.

I just find it very strange that we have a building that's built and measured, and we should know exactly how much the rent is going to be, and suddenly there are things like \$26,000.00 missing, and we have come across this so often, that I don't feel it's been explained properly, at least to my knowledge, just why there's a deficiency.

Mr. Chairman: Mr. Williams?

Mr. Williams: As far as the exact rental rates, I'll bring that information back to the House this afternoon, but with respect to deficiency, there was some problems occurred last year because of timing in moving out of certain buildings, and moving into this building, and a contributing factor in this particular case, may have been the fact that the budget was based on the Director and his staff coming over to this building on April 1, when in fact, they didn't come over here until June, and perhaps, and therefore, we might have had to pay for -- pay rent on more square feet than what we originally budgeted for in the Federal Building.

But then, with respect to the overall rental rate, a number of events transpired during the year, which necessitated raising rental rates right across the board, amongst them the fact that D.P.W. raised their rates, utility charges went up and that sort of thing.

So we will probably come back to this when we get to Establishment 910, which is the office accommodation establishment, but --

Mr. Chairman: Ms. Millard?

Ms. Millard: It has nothing to do with the Lynn Building at all?

Mr. Williams: Well, the Lynn Building is included in the -- is one of the reasons why there's a supplemental requested in Establishment 910, but no, it doesn't directly relate to the Lynn Building.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, the money that we're voting for each department is an expenditure. Where is it credited, what department is it a recovery, in Highways?

Mr. Williams: Yes, the initial expense is incurred in Establishment 910 in Vote 9. They pay the rental bills, they pay the Utility bills, I believe janitorial bills and that sort of thing. They in turn then assess the various user departments a rental rate and so that the various departments charge their votes with the internal rental rate and then there's an offsetting recover in Establishment 910.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, further question. I know that the estimates of the rental structure is an estimate too. It's something, you know, they try to make it a realistic rental to recover the cost of providing the accomodation. Does the Territorial Government make any money -- that specific department. Is the revenue rental sometimes, does it exceed the expenditures that they must make in order to maintain the building?

Mr. Chairman: Mr. Williams.

Mr. Williams: I think you'll see in this current year, there's actually a large deficit and we'll probably come to that when we come to 910, because there were several very large expenditures, hopefully non-return type of expenditures. But, by and large, the internal rental rate is set to recover our actual O and M expenses, but over and above that there are, in some cases, third parties which also rent space from the government and we treat the third party rental as a revenue, if you will, so, in fact, if you added together the amount that we show as a revenue from rent from third parties and you added the recovery which Establishment 910 makes, the two of those items exceed our expenses by the amount of the third party rents. At least that's the theory of it.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: One more question. The rental rate is structured on the O and M cost. As part of the O and M cost, do you charge anything towards captial investment for the building itself, for the amortization?

Mr. Williams: No, the rental rate is structured strictly to recover the O and M costs so, for instance, it's difficult to compare our rental rate with a commercial rate because of course a commercial rate includes an allowance to recover the capital cost of the facility and

it includes their profit margin and that sort of thing. So, where as our rent does not, is not designed to do that.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, just one further question, and this might be putting you on the spot, but in this type of a building you're charging, I would say, about \$7.00 a square foot rental, aren't you? If this was a private building, how much would they have to charge in order to pay for the Operation and Maintenance costs, to pay for the amortization, the investment? And also to make a profit? It would be very high, wouldn't it?

Mr. Williams: Yes, I'm not sure exactly. Mr. Sherlock suspects that there's perhaps \$15.00, but for instance, the capital cost of this building is in excess of \$11,000,000. A private developer would, of course, have to finance that building so there'd be interest costs on top of that. And off the top of my head I don't know what a comparable rate would be, but it would be significantly higher than \$7.00 a square foot.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: One more question, and maybe the Treasurer or the gentlemen here can answer it. My understanding now is that in previous years our capital was loans and then we received the money to pay, to amortize that loan, right, in our grant?

At the present time, we get an outright grant for our capital. Am I correct in this assumption? So that the 11 million dollars was, in fact, a grant, or is it a loan which the Yukon is paying off?

Mr. Williams: No, it is in fact a grant. There was a time when they didn't give us capital grants directly. What they would do is they would loan us money to undertake capital projects and then give us an amortization schedule, and then as the amortization payments became due they would give us grants to pay the amortization payments. So it was a very round-about method of doing things and so I don't know how far back it was out I believe it was approximately three or four years ago where they avoided this circuitous route and they're giving us capital grants now.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Excuse me, I know this is not with Vote 8 — I expect to be stopped any minute, but what happens to the loans that we have on the books? Were they written off, or will the Yukon be changed some day in the future?

Mr. Williams: As of three years ago, the amortization payments on those loans were discontinued and we're just now waiting for the Federal Government to officially write them off. They haven't done so yet, it may happen next year or the year after, but for the time being we are not making payments, we are not accruing interest, and we've been led to believe that they are going to give us — either write the loans off or give us a one-time grant to pay them off.

Mrs. Watson: Mr. Chairman, it would be interesting

to know the amount of the loan, wouldn't it? Do you have this figure?

Mr. Williams: It may be disclosed in your Territorial Accounts. I believe the figure is in excess of — well, I won't even guess. It's quite large.

Loans to the Government of Canada in the Territorial Accounts last year were about 50 million dollars. I believe approximately 38 or 40 million dollars of that amount relates to the type of loans which the Member is referring to.

Mrs. Watson: Thirty-two.

Mr. Williams: Thirty-eight or forty, somewhere in that neighbourhood; 38 I believe.

Mrs. Watson: Thank you.

Hon. Mrs. Whyard: Mr. Chairman?

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Just to put that last quotation into focus, the mineral production in the Yukon last year totalled 243 million. We didn't get it.

Mr. Chairman: Establishment 802. Legal Aid, decrease \$21,500.00.

Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman. I would like to have some clarification on this. I am wondering, we voted \$70,000.00; now we're asked to revise the vote to \$48,500.00, and I'm wondering why we need to revise it to any more than 4 or 5 hundred. I don't think there's been any Legal Aid that I know of, and I'm just wondering what the 48,500 is actually going to be for?

I see it says, "Delay in the commencement of the Civil Aid Program" but I'm wondering if the Civil Aid Program is even going into effect at all.

Mr. Chairman: Mr. Williams?

Mr. Williams: That particular Establishment includes funds for both criminal and civil legal aid, and I don't have the exact spread on the \$48,000.00 expenditure, but I can get that for him, but the bulk of the expenditure related to criminal legal aid as opposed to civil legal aid.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, I wonder if we could have Mr. Williams bring that figure in? I would be very interested to know the difference between the civil and the criminal.

Mr. Williams: Yes, I'll get that information.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I have this question waiting in the House, but perhaps someone could give

me a little more information on it. Just where are we at with the negotiations with the lawyers on the fees that they are wanting for civil legal aid?

Is that something anyone here can answer?

Hon. Mrs. Whyard: Mr. Chairman, I don't believe that's a proper question to put to the people from Treasury.

Mr. Chairman: Well, is it the wish of Committee that we have the Executive Committee Member responsible for this here as a witness?

Are you going to have any questions for him, or shall we continue on with our present format? We'll carry on? Okay.

Mrs. Watson: Mr. Chairman, I would like to reserve the right to have him when we go into the Mains with this topic.

Mr. Chairman: Oh, by all means.
Eight oh three, Police Services Agreement, decrease \$2,702.00.

Mrs. Watson: I take it that is just an error, it's only 2,000 out of a million, four hundred thousand dollars, just an error in estimation, because I remember when we went through this last year there was a tremendous increase from the year before, and I also see for this year we are budgeting another \$500,000.00 on this agreement, so it must have just been an error in our estimation.

Mr. Williams: Yes, the \$2,700.00 lapsing represents a more up-to-date estimate of what the actual costs will be this year.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: A supplementary question to that. Did we actually sign an agreement? I know there was some question, and that was pending for quite some time. Is there an actual agreement in effect, signed, sealed and delivered?

Mr. Chairman: Perhaps it would be better to ask that question when we come to the Main Estimates.

Mr. Lengerke: Yes, when we get to the Mains, fine.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: The Committee will recess until 1:30.

(Recess)

Mr. Chairman: I now call this Committee to order.
We will continue with the debate on Vote Number 8, Establishment 804, Criminal Injuries Compensation, \$108.00.

Mr. Lengerke?

Mr. Lengerke: Just again a question of interest.

That \$108.00, has that been paid out just for one case, or what does this represent?

Mr. Chairman: Mr. Williams?

Mr. Williams: The \$108.00 represents one award which has been made, yes, and it's 75% recoverable from the Federal Government.

Mr. Chairman: Ms. Millard?

Ms. Millard: Is the statutory requirement for this the Victims of Crimes Ordinance?

Mr. Williams: That's correct, I can't give you the exact title. Compensation for Victims of Crime Ordinance I believe it is, yes.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Eight oh six, Legal Profession Ordinance, \$273.00.

Clear?

Vote Number 9, Department of Highways and Public Works, decrease \$299,900.00, page 34. Establishment 900, Administration, decrease, \$49,500.00.

Mr. Lengerke?

Mr. Lengerke: Could I have an explanation as to the vacant positions? Are there vacant positions now? What is the status?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: That money generally takes care of two positions which were not filled, Mr. Chairman — a projects architect and a draughtsman.

Mr. Chairman: Clear?

Nine oh one, Building Maintenance, \$104,600.00.

Mrs. Watson?

Mrs. Watson: Mr. Chairman, I wonder if we could have an explanation of the phrase "to reflect less than anticipated charge-backs"?

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, the information I have, which I'm sure Mr. Williams can elaborate on, is that, based on records kept by the Department of Highways and Public Works, the expenditure to January 19, 1977, together with an estimate to year-end, a short-fall of approximately \$104,067.00 will occur. This is dependent on the fact that the estimated recovery will not in fact take place. Building Maintenance will also be short-funded an additional amount.

For example, Mr. Chairman, Building Maintenance Alaska Highway is shown as \$50,000.00, and if only \$30,000.00 is recovered then Building Maintenance as a whole is short an additional \$20,000.00. It appears that in Yukon Housing and Alaska Highway and Federal Roads recovery basis under this Establishment, that a short-fall was estimated in all of these areas on re-

coveries.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Is this a net vote? For example, the Building Maintenance does the works and there's a charge-back. Is it to third parties, which is various departments, or is this under the Housing Corporation and then where the charge-backs doesn't cover the gross expenditure that is the amount that's entered in the Estimates; is this how we're operating this Establishment?

Mr. Chairman: Mr. Williams?

Mr. Williams: Generally speaking, all government Building Maintenance is charged to Establishment 901, but there are two main exceptions. First of all, any maintenance done on behalf of the Yukon Housing Corporation is charged back to the Housing Corporation and secondly, any building maintenance done on the highway camps is charged back to the Highways because of costs recovery purposes. So, by and large, all Building Maintenance is charged to this particular Establishment, with those two exceptions.

However, what has happened is during this current year the supplemental reflects a combination of two things. First of all, the gross expenditure was up slightly, approximately \$30 or \$40 thousand, but the recoveries which they had anticipated to receive didn't materialize and that was due to two factors: first of all, the Housing Corporation has decided, in more and more communities, to use private maintenance contractors as opposed to using the highway staff. Therefore, Highways are not recovering amounts at the same level as they did in the past. Secondly, as you'll observe later on, there's been a general cutback in highway costs. Similarly, once again the recoveries didn't equal the amount that was anticipated that should have been recovered.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, but then your recoveries are not shown under Recoveries as they normally are. Your recoveries would be shown in 901, and you would be showing a net in 901.

Mr. Williams: That's right, Mr. Chairman. Because the recoveries are internal recoveries, in other words recoveries from other government departments, we are netting it within the Establishment as opposed to showing it as a recovery in the recovery section, which are basically recoveries from third parties.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, that's very, very interesting. This is the only Establishment in the whole government where the internal, you have an internal recovery, am I not right?

Mr. Williams: That's not quite correct. There is a similar situation happens in Establishment 910, which is Office Accommodation, and you might recall earlier we talked about the loss in the weigh scales in Establishment 400. Once again, there is an internal charge-

back within the Establishment, so there are exceptions to the general principle of reflecting recoveries as a separate item.

Wherever the recovery is basically an internal recovery, we do quite often net the recovery against the expenses within the Establishment.

Mrs. Watson: Within the Establishment.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: A further question then. It's very interesting, the building maintenance of engineering gives maintenance for the Housing Corporation. Is there any easy way, or is this an observation you've already made, has the building maintenance lost money or been in a deficit position because of the maintenance work that they've carried out for the Housing Corporation?

Mr. Williams: Perhaps I could answer it this way. The original budget was constructed on the assumption that out of the expenditures in Establishment 901 approximately \$90,000.00 would be expended on Yukon Housing Corporation managed properties.

As it turned out, the Housing Corporation, I believe, spent more than \$90,000.00, but rather than utilizing the service of the Department of Highways and Public Works in all communities, in many cases they are using local contractors.

The nature of the work force in Establishment 901 is such that there are a fair number of permanent full time tradesmen. These people continue to work for the government and therefore, instead of performing work on Housing Corporation properties, they've just diverted their attentions to performing work on other government buildings.

Does that answer your question?

Mrs. Watson: Mr. Chairman?

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Yes, that does, and it does, the fact that you said you do have staff, and this is very true because you're not estimating the cost of your building maintenance on a job basis. You're estimating the cost on materials and supplies and also on the salaries of the people who are working within that Establishment?

Mr. Williams: That's correct.

Mrs. Watson: And therefore, it would be very difficult, am I correct, to sort out the cost of the jobs that are being done for the Housing Corporation? But yet, am I correct, the Engineering does this in estimating their costs on the work on the Housing Corporation?

Mr. Williams: That's correct. The actual, the work that the Department of Highways and Public Works does is coded to the particular building where the work was performed. So they do a costing on that basis.

However, what I was getting at is that the labour pool is not something that can be turned on and off. It is a fixed complement of manpower and therefore, just because the Housing Corporation has decided to use pri-

vate contractors, it means that the Government still has a certain body of its own building trades people. Therefore, the costs are still going on but the recoveries are not coming in because they are no longer doing work for the Housing Corporation.

Mr. Chairman: Clear?

Nine oh three, Recreational Roads and Boat Launching Ramps, decrease, \$4,000.00.

Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I find it rather curious that there is a \$4,000.00 reduction. In Dawson, some of the roads, so-called recreational roads, lack a tremendous amount of maintenance on it, and I was wondering how come there's all of a sudden \$4,000.00 decrease in the thing. Have you got an explanation on this?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, we made the decision last year, as part of our restraint measures, that recreational roads would not have the usual amount of maintenance that they had prior, and I think you'll notice in the Main Estimates that when you make a decision that you are not going to maintain roads to a certain standard all you are doing is prolonging the agony because, the year following, you're going to have to put more money into them to bring them up to the — up to the state that they were prior to having the decreased maintenance on them.

So there was a conscious decision not to have recreational roads up to the standards that they were prior, as a restraint measure last year, and they will be brought up to their normal maintenance standard in this year's budget.

Mr. Chairman: Mr. Berger?

Mr. Berger: In conjunction with this, in other words, the government is going to spend more money on it, because of lack of maintenance last year?

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I was wondering if the Minister is able to tell us where the \$4,000.00 comes from? I hope it's not Bonanza Road, because I really get some complaints about that.

Hon. Mr. McKinnon: I don't have the breakdown of the \$4,000.00 Mr. Chairman, but I'm sure that anybody travelling any of the recreational roads are positive that it was their road that the maintenance was removed from.

Mr. Chairman: Mr. Berger?

Mr. Berger: Just once more on the same subject but not with money. Could we possibly look forward to a change in classification of some of the so-called recreation roads, because they are really work roads and mining roads.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: It's a good political question, Mr. Chairman, and one which we come to grips with every year, and it will be a decision of this House whether they want to change roads.

I must point out to Honourable Members though, that probably, maybe in the condition of where there is a commercial establishment, it may be different, but in many cases, the people who are living along recreational roads, and in fact in most cases, all signed lease agreements with the federal government that there would be no road maintenance, ploughing and winter operation of that road.

Now of course, that they are there, they want the territorial government to take the complete responsibility and the expense for keeping the roads open and maintained on a year-round basis.

So, if that is the decision of this House, then the territorial taxpayer and the territorial government is going to pay totally for opening roads where the federal government, in my estimation, in many instances, should not have allowed lands to be released.

Mr. Chairman: Mr. Berger?

Mr. Berger: Just supplementary to this. I was thinking in particular of four roads in the Dawson Mining Districts, if you want to call it so, and they have been under use for placer mining for many, many years and there's no way that anybody lives there on a year-round basis. I mean, those roads are strictly work roads at certain times of the season.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Yes, Mr. Chairman, I hope that we get into this in great depth and I'm sure we're going to when we get into the Mains, but it is a situation, it's a problem that we have in the Yukon and we can't bury our head in the sand and keep saying that the federal government did this and now we are not going to provide any type of maintenance. Everybody realizes that it costs money.

However, if we have a policy like this that we don't maintain recreational roads on a twelve month basis, then we have to be consistent about it and the territorial government is not being consistent about this policy and I think that there's going to be a lot of debate on this when we come into it in our Mains.

Hon. Mr. McKinnon: Mr. Chairman, if there is any inconsistency I think it's only in one area and I think that that can be put down as being grandfathered because it's been traditional since the days of the army that that one recreational road was maintained and all we did, after the DPW then the territorial government, was grandfather that one recreational road, which is the Marsh/McClintock and that's the only exception as far as I know which has been grandfathered as a matter of history since the army days. Other than that there is no change in the policy.

It's been the policy of the YTG that a recreation road is for summer maintenance and we haven't provided year round maintenance in road clearing and snow clearing on recreational roads, with that one exception.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, I don't want to belabour this because, as I said, when we get into the Mains — but there were other roads that could well have been grandfathered in who are getting the same level of service. But I think we should leave it.

Mr. Chairman: Clear?

904. Airport Maintenance, decrease \$9,700.00.
Mr. Berger.

Mr. Berger: Could we have an explanation what this reduction was? On which airports or air strips?

Hon. Mr. McKinnon: I don't have that breakdown, Mr. Chairman. Perhaps the Treasury Department has.

Mr. Williams: Mr. Chairman, I don't have a breakdown by airports, but just a little bit of background. The original budget of \$217,000.00 was set prior to receiving final confirmation from MOT as to how much money they would have available.

When MOT finally had their budgets they decided that they didn't have \$217,000.00 that the only money that MOT had in their budget for airport maintenance was some \$208,000.00 and I believe what the department tried to do was make minor cutbacks in various locations rather than making major cutbacks at any one particular airport.

Some Members: Clear.

Mr. Chairman: 906. Tote Trail Assistance, \$55,000.00.
Ms. Millard.

Ms. Millard: Well, Mr. Chairman, because this is 100% increase, I'd like to know more about it.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, I'd be happy to table a resume of the Tote Trail Program with the applications, allotments and payments to the Members.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, is there a maximum amount? This is a federal program really that we are administering for the federal government. Is there a maximum amount that can be expended every year or is it set on a yearly basis?

Mr. Chairman: Mr. Williams.

Mr. Williams: The figure that is included in our financial agreement with Ottawa is a figure of \$125,000.00. That's the figure we negotiate with Ottawa. In the past, however, I think historically we have never hit that \$125,000.00 or if so very rarely. So what we did this year, we thought we were being a bit more realistic in cutting the figure back \$50,000.00, however, we cut it back to \$50,000.00 and before we knew it, there were \$100,000.00 worth of approved applications. Therefore the need for the supplemental.

Now to date, the \$100,000.00 hasn't been paid. I believe the actual payments are in the neighbourhood of about

\$60,000.00, however, commitments have been made up to \$100,000.00 therefore they are sup't in case the private parties live up to their end of the bargain.

Mr. Chairman: 907, Engineering Services Agreement, decrease, \$566,500.00.
Mrs. Watson?

Mrs. Watson: Mr. Chairman, 907, 908, what's going on? It changes from 85 per cent recoverable, is the Dempster Highway — winter maintenance on the Dempster Highway going to fall under the 100 per cent recoverable, rather than the 85 per cent?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, in 907, the variance of \$566,478.00 is made up as follows:

The deletion of three positions, a total of \$59,198.00; the reduced maintenance on the Canol Road, \$125,000.00; winter maintenance on the Dempster Highway, transferred from 85/15 recoverable to a hundred per cent recoverable \$300,000.00; and to adjust funds available from Ottawa to funds voted was \$82,280.00 for \$566,478.00 total.

With reduced maintenance by the deletion of overtime and less casual summer employment, it appears that a supplemental estimate will not be required. This solution is very marginable, and is due to unforeseen climatic conditions, and overexpenditure does take place, the funds set aside for the deletion of three positions and reduced maintenance on the Canol Road will have to be used, as Ottawa has provided the funds in total.

Funds were transferred by Ottawa from the provision for 85/15 roads, to this Establishment for the Dempster Highway winter maintenance, which is 100 per cent recoverable, and it appears that no additional funds and a surplus occurred, based on expenditures made to date, Mr. Chairman.

Mr. Chairman: Mr. Berger?

Mr. Berger: Could we have a copy of his speech, please?

Mr. Chairman: Mr. Berger is asking for a copy of the information that you just —

Hon. Mr. McKinnon: Yes, I'm just putting it altogether.

Mr. Chairman: Then we will stand 907 and 908.
909 — Mrs. Watson?

Mrs. Watson: Mr. Chairman, as the Honourable Member next to me said, we're still \$280,000.00 ahead of the game between those two, 907 and 908.

Now this is operation and maintenance. What have we done with the other \$280,000.00? Are we using it in other areas within that Vote, and can we do that when we have that type of program that's a hundred per cent or 85 per cent recoverable? Can we do that with that money, or is it being used in some other vote?

Hon. Mr. McKinnon: Mr. Chairman, I can't even

pretend at this time to know all the terms and conditions and stipulations of the Engineering Services Agreement, and I would have to ask the Territorial Treasury Department if they could answer that question.

Mr. Chairman: Mr. Williams?

Mr. Williams: Well, Mr. Chairman, this does represent a general lapsing of funds, and it also represents a lapsing of our recoveries, therefore the net effect is a slight improvement on our working capital.

So our expenditures are going down, and our recoveries are also going down because as you know, the expenditures under 907 are 85 per cent recoverable.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: But they they can be reflected — that's the question I want to know — can they be reflected in your working capital? Because if they can be reflected in your working capital, then they can also accommodate some of the overexpenditure in some of the other Votes.

Mr. Williams: Mr. Chairman, this has been reflected in our revised working capital calculations, both the decrease in expenditures and the decrease in recoveries.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, can it be reflected in the increased expenditure in some of the Votes, so that it can be accommodated?

Mr. Williams: I'm sorry, I don't quite understand the question, Mr. Chairman.

Mrs. Watson: Well, for example, Vote 9, there's a lapsing \$299,900.00, right?

Oh in, let's take Education, oh let's try Health and Welfare. They require another \$797,000.00, so are you allowed to apply your lapsing balance here, to accommodate the \$797,000.00 in Health and Welfare?

Mr. Williams: Yes, Mr. Chairman, I now see what the Member means. Our working capital calculation is a product of these various over and underexpenditures which occur throughout the years.

It's kind of equivalent to an individual savings account. You spend money and you take money in, and our working capital is what's left over.

Mrs. Watson: But my question is, can you do that with money that's in an agreement where there's a hundred per cent recoverable? This is my specific question.

Mr. Williams: Yes, we can, Mr. Chairman, because we are only recovering what we expend, what we expended.

If, for instance, we had received the entire amount and tried to use a portion of the recoveries for other purposes, well that would be caught in very short order by the auditors of the Department of Indian Affairs, therefore, if we do reduce our expenditures, we have to

correspondingly decrease our recoveries.

Mrs. Watson: That's too bad, isn't it, Mr. Chairman?

Mr. Chairman: 909, Alaska Highway and Haines Road, decrease \$500,000.00.

Hon. Mr. McKinnon. Mr. Chairman, \$157,859.00 of this comes from a deletion of nine positions, which I understand that there's also a savings of some \$300,000.00 on a carry-over which I don't understand.

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, there's no carry-over allocated. During the last two or three years, as everybody knows, the inflation rate has been quite high in Canada, and in particular, items like labour and chemicals have gone up at a very high rate.

Unfortunately, the funding that we were getting from the Department of Public Works under the Alaska Highway Agreement, was increasing at an annual rate of approximately 4 or 5 per cent a year, whereas our expenditures were increasing anywhere from 14 to 20 per cent a year. The net result was over the — I don't know exactly how far back it goes, but approximately over the last two or three years, we ended up spending some \$300,000.00 more than what D.P.W. was prepared to reimburse us for.

Now, finally in 1976-77, they raised their contribution to a much more realistic level, and the Department of Highways and Public Works made a determined effort to deliberately underspend in order that they could recapture some of the overspendings which they had made in previous years.

So it's a long drawn-out affair, but basically the idea was to recover overexpenditures from prior years.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, can you do that under government budgeting, to recapture a deficit that's sort of accrued, that 386,000 that's sort of accrued over the last two years, and try and recapture that out of money that's voted in one year?

Mr. Williams: Mr. Chairman, I haven't been involved in any of the talks, but I believe the Department of Public Works is well aware of the situation, and they're amenable to handling it this way.

From our point of view, we have been recording our expenses in the year in which they have been incurred, but the Department of Public Works has never been able to fully reimburse us for the expenditures, because of their own budgetary problems.

Now, they are going to catch up with the backlog in this current year, out of the money that they give us in this current year, and I'm led to believe that that arrangement is quite satisfactory with the Department of Public Works, the Federal Department of Public Works.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Then, Mr. Chairman, will that

\$500,000.00 be reflected within the total of the recovery on the Alaska Highway Agreement? It should be, if what D.P.W. is saying is correct.

Mr. Williams: Yes, the recovery will be reflected, yes.

Mrs. Watson: I don't think you've got it.

Mr. Williams: I think what has been happening is that over the years we've been showing the recovery, and in our books, we've been showing an accounts receivable. Therefore, there won't be, I don't believe you'll find a \$500,000.00 difference this year between the recovery and the expense.

I believe the figure is 300,000 — the \$300,000.00 shortfall reflects in our books as an accounts receivable. For instance, last year we would have shown X dollars expense, and a corresponding amount as a recovery. D.P.W. however, would have paid us a bit less than what we would have shown as a recovery, therefore our books reflect an accounts receivable.

Mrs. Watson: Mr. Chairman, does the Auditor General accept that?

Mr. Williams: The Auditor General has accepted it as far as Y.T.G. is concerned. I can't speak for his report on the Federal Government.

Mrs. Watson: Because Mr. Chairman, you see it is reflected as taken out of the total recovery on the Alaska Highway.

Mr. Williams: That's right, that's correct, Mr. Chairman, because we have recorded that recovery in previous years as the expenditure at the time the actual expenditures were incurred.

Mr. Chairman: Did the Federal Government retain the accrued interest as well, Mr. Williams?

Mr. Williams: As you're probably aware, right now we don't charge the federal government for interest on overdue accounts. I believe Mr. Sherlock indicated yesterday that it might not be a bad idea in some cases to do so.

Mr. Chairman: Mr. Berger

Mr. Berger: Yes, Mr. Chairman, I would like to change the subject. All the other votes we have so far, they have vacant positions, but in this department we, all of a sudden, delete positions, three in the previous statement by the Minister and five in another statement. How many more positions have been deleted in this department and where are those positions?

Hon. Mr. McKinnon: Insofar as I know Mr. Chairman, I have no other staff deletions in any of the supplementaries.

Mr. Williams: Mr. Chairman, I believe that's it as far as deletions. If I could clarify that, I'm led to believe that the positions that have been deleted are, in effect, positions which have been vacant for a number of years.

At the time the Highways were transferred to Y.T.G. from the federal departments, it appeared that they perhaps were using more manpower to maintain the highways than what we in fact required. So some of these deletions of positions related to the fact of cancelling positions which have been vacant for a number of years.

Mr. Chairman: Mr. Berger.

Mr. Berger: Mr. Chairman, I would just like to know if we could possibly get a correct information on that because I think that we could stand maybe written information on that.

Mr. Williams: Mr. Chairman, I'll try and get a list of the specific positions which have been deleted throughout the year.

Mr. Chairman: Establishment 910, Office Accommodation.

Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, if we thought the breakout of my Establishment in Local Government 605 was complicated, it was mere child's play in comparison to the breakout of 910 and I think it would only be fair for the government to provide the worksheet and the narratives to 910 to all Members of the House.

I also asked for the Director of Highways and Public Works to do a chronological blow-by-blow account of the Lynn Building lease termination for me. I wasn't involved as this was all signed, sealed and delivered prior to my becoming responsible for the portfolio of Highways and Public Works and I think that that would be very interesting for all Members to have and I'd be prepared to make that available also.

Mr. Chairman: Thank you, Mr. McKinnon.

Mrs. Watson: Mr. Chairman, I would suggest we stand this section over until we get the information. I'm very interested in that Lynn Building and I'm sure all Members are.

Mr. Chairman: Nine one five, VHF System, \$60,000.00.

Mrs. Watson?

Mrs. Watson: Mr. Chairman, I see that there was no money in the original for the operation and maintenance of the VHF system. Is this the first year?

Hon. Mr. McKinnon: I am sorry, Mr. Chairman, the Main Estimates?

Mr. Chairman: The Main Estimates for '76-77. There was nothing appropriated at that time. '76-77. Mr. Williams?

Mr. Williams: Mr. Chairman, I believe throughout the Main Estimates within Y.T.G. the various user departments have reflected their share of the costs of the VHF system. However, what was neglected was to reflect the costs related to the non-Y.T.G. users of the system. Once again, this is another one of those ac-

counts where it is a partial clearing account, partial recovery account, and I think the Members will get a better picture of it when they look at the Main Estimates for 1977-78.

What we endeavour to do within Y.T.G. is to charge the users of the system based on the number of radios which they have. There are also some non-government users and the department, when they originally formulated the budget, I think, made the assumption that perhaps the revenues and expenditures for non-Y.T.G. users would just offset each other and I believe they showed the revenue but they neglected to show the expenditure. So it's a bookkeeping matter to get the expenditures back in there. There was an oversight in the original estimate.

Mrs. Watson: Mr. Chairman, I'm prepared to accept that because I think there's extensive questioning that we would like to have before we go into the Mains on this whole ...

Mr. Chairman: Clear?

Nine one six. Revolving Fund Write-off. \$45,300.00.
Mr. McCall?

Mr. McCall: I was just wondering if we could have an explanation on this, Mr. Chairman.

Hon. Mr. McKinnon: Mr. Chairman, we were left with a large number of FWD trucks from the army, from the DPW, turned over to the Territorial Government, and a large supply of surplus parts with them. All the FWD trucks have been surplused to this time so we're writing off all the spare parts that were for those FWD trucks.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, is this a revolving fund?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, if they were, our parts inventory is carried through the garage revolving fund which, I believe, is at around \$500,000.00. When we want to get rid of something which is financed through a revolving fund, what we have to do is write the item off to an appropriation, which we are now doing, and then the material is sold by auction.

Mrs. Watson: Mr. Chairman, and the revenue from the auction goes back into the revolving fund?

Mr. Williams: Mr. Chairman, the revenue is reflected as sale of surplus assets, I believe, it's under the Treasury Department, either revenue or recovery section.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, as I understand it, we have quite a large inventory of useless parts, and it's just money tied up which is shown as cash which gives us really a — or shows us assets which gives us a really false position.

I think that it's incumbent upon us to get rid of these useless parts and write them off and get the money back into a revolving fund as quickly as possible.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, could the Minister tell me if these parts have been sold, these particular parts already, have they been — are they up for auction?

Mr. Williams: Mr. Chairman, I believe these particular parts have been sold during the year.

Mr. Lengerke: Supplementary, what did we recover on that particular item?

Mr. Williams: Mr. Chairman, our total recoveries from the sale of surplus materials is reflected on page 56.

That's correct, our total recoveries were \$146,000.00. That, of course, includes a lot many more items in addition to these revolving fund items. It includes assets which are not financed through a revolving fund, surplus furniture and that sort of thing.

Specifically how much we received for this \$42,000.00 worth of truck parts, I don't really know.

Mr. Lengerke: Okay, Mr. Chairman, just curiosity, thank you.

Mr. Chairman: Clear?

Before proceeding with Vote Number 18, as Committee is aware the Minister responsible is not present for good reason.

Is it Committee's wish that we proceed with consideration of these estimates at the present time? I see Mr. Schneider in the gallery and we could call him as a witness if it is your wish.

Mr. McCall: Mr. Chairman, I was thinking, it would only be fair for the Minister to be here when we go through these Main Estimates.

Mr. Chairman: I don't know whether there's that much to be questioned. Is it Committee's wish to proceed now with consideration of Yukon Housing Corporation?

Hon. Mr. McKinnon: We are willing to abide by the wishes of the House. We have no strong feelings either way. If Committee wants to proceed, we will proceed; if not, we are going to wait until the Minister is here.

Mr. Chairman: I am trying to find the wishes of the House.

Mr. McCall?

Mr. McCall: Mr. Chairman, I think most of us here realize that the Minister has just taken over this portfolio and I think it would be wise for the Minister to be present when we go through it.

Mrs. Watson: Mr. Chairman, does the Honourable Member think the Minister will learn something, or is he worried about us?

Mr. Chairman: I think that's what he had in mind. Actually, I must admit in talking to the Minister at lunch time he suggested that we continue, but I think he was trying to get out from underneath.

Hon. Mr. McKirnon: With the Main Estimates on education, yes, Mr. Chairman.

Mr. Chairman: We will continue then with project capital.

I think before getting into this, I'll declare a brief recess.

(*Recess*)

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

Mr. Berger: Just a question of clarification in my mind. If the Honourable Minister for Education is eventually going to pass out cigars, can we accept them or do we consider them as bribes.

(*Laughter*)

Mr. Chairman: Well, in view of his presence, I think we will proceed with Yukon Housing. I hope he has the presence of mind to be able to cope with Members' questions. And to that end, the Minister has asked Mr. Keith Schneider to appear as witness before Committee for his assistance. Is Committee in agreement?

Some Members: Agreed.

Mr. Chairman: For the record, Mr. Keith Schneider, Manager of Yukon Housing Corporation, is present as witness.

Vote Number 18, Yukon Housing Corporation, \$162,269.00, page 38.

Mr. McCall: May we have an explanation, Mr. Chairman?

Mr. Chairman: Explanation of what, Mr. McCall?

Mr. McCall: The first you're going to start on.

Mr. Chairman: Establishment Number 1800, Yukon Housing Corporation, Administration, \$37,079.00.

Mr. Lang, could we have an explanation for Mr. McCall?

Hon. Mr. Lang: Mr. Chairman, this particular establishment is a, there's an increase in the Yukon Housing Corporation in relation to the transfer of four and a half casual man years plus one man year in relation to the Housing Management Program that was previously operated by the Department of Education. And also, at the same time, we had had a transfer of one and a half man years from the Department of Social Welfare, correct me if I'm wrong, from Alexander Street Lodge. This was a transfer that was made in the middle of the year. And also at the same time, this particular increase is offset by various vacant staff positions that have been vacant throughout the year.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, my understanding was that, when the Alexander Street residence was transferred to the Housing Corporation, there would be some benefits, financial benefits to the Territory and to the residents of the building.

I see that you are transferring one and a half man years, and also four and a half from the home management. Now, Manpower, I believe, shared some of the costs of the home management program.

Are we getting some recovery from Canada Assistance or from C.M.H.C. or any program on the salaries for those six man years?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, could we have the General Manager respond to that, please?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: Thank you, Mr. Chairman.

The transfer of the Alexander Street Lodge to the Housing Corporation included a transfer of man years of one and a half positions. The cost of those — the salaries, rather, of those positions is not recoverable from Canada Manpower.

What we have done though, we have applied to C.M.H.C. for Section 44 subsidy funding, which if we're successful will share the deficit, the operating deficit, 50:50, including salaries.

Mrs. Watson: Mr. Chairman, what about the home management. Is there — can you include that under the C.M.H.C. for your deficit cost-sharing for the operation of rental purchase housing or public housing?

Mr. Chairman: Mr. Schneider.

Mr. Schneider: There is no provision, Mr. Chairman, under the National Housing Act, for sharing that as a separate program. However, we could conceivably charge some of those expenditures directly to various housing projects and recover part of that operational cost.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, when you say "recovery", you mean through rental of the housing?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: Mr. Chairman, when I'm referring to recovery, I'm referring to Section 44 which permits us to recover 50% of our operating deficit from C.M.H.C.

The possible method rather in which this could possibly happen would be that we would charge some of the Housing, Education Program costs into this operating deficit.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, that was the question I asked, thank you.

Mr. Chairman: Mr. Fleming? Mr. Berger?

Mr. Berger: I don't know, I think the answer will be forthcoming. Under Establishment 321, we were told the home management program was roughly costing \$70,000.00. Is this what the final reduction to \$37,000.00 is?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: The reduction in the home management program is because of the fact that during the fiscal year '76-77 we didn't have the position of home management co-ordinator filled for the entire period.

In addition to that, some of the casual man years were not fully utilized as well.

Mr. Chairman: Clear?

Eighteen oh one, Operating Subsidy, decrease \$58,830.00.

Mr. McCall?

Mr. McCall: Well, Mr. Chairman, have you taken leave of your senses or what, I didn't ask for a question.

Mr. Chairman: I just anticipated that you would be requiring an explanation, Mr. McCall.

Mr. McCall: Not all the time, Mr. Chairman.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I will have to ask on the deferred amortization payment, why they were deferred and amortization payments on what?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I would ask the General Manager to answer that particular question.

Mr. Chairman: Mr. Schneider?

Mr. Schneider: Thank you, Mr. Chairman.

We originally budgeted in the fiscal year for amortization payments to be made which depends, of course, on the completion of the various projects. It so happened that these projects weren't completed in time to make the necessary amortization payment, therefore it will be made in the fiscal year '77-78.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I suppose you're referring to the public housing that you didn't complete and there was another, in your capital projects. What are you paying now in amortization on a yearly basis?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: Mr. Chairman, the amortization costs, as well as other operating costs, are outlined in the '77-78 Main Estimates.

Mrs. Watson: Mr. Chairman, I realize that but have you got the amortization separate and apart from the

complete operating costs?

Mr. Schneider: It is shown separately, yes.

Mr. Chairman: Clear?

1802, Staff Accommodation Services, \$184,020.00.
Mr. McCall?

Mr. McCall: Yes, please, Mr. Chairman.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, this is roughly split in half, approximately \$94,000.00 is a carry-over from last year, in relation to increased costs, mainly in the area of utilities, and also at the same time, in some areas we leased facilities for our staff members, where housing is not available, and this costs in the area of a \$90,000.00 increase over what we estimated last year.

Mr. Chairman: Mr. McCall?

Mr. McCall: I don't need a clear explanation as to this figure that is before us, as far as the supplementary, I wonder if the Minister could be a little more specific than that.

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, just to break down the information Mr. Lang gave you a bit further, as he mentioned there was \$95,000.00 carried over from the last year, and if the Members recall, I can't remember the specific figure, but last year when we were dealing with the supplemental estimates, we reflected a rather large anticipated lapsing of funds under Establishment 1802 and as it turned out, the lapsing or the lapsing balance was overly optimistic.

But with respect to the other \$90,000.00, the \$90,000.00 related to an overrun this year; \$40,000.00 of that was due to higher utility costs, approximately \$14,000.00 was due to higher rental rates which we had to pay to the Department of Public Works, and approximately \$34,000.00 was due to increase in maintenance expenditures, and that adds up to approximately \$185,000.00, \$184,000.00.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I understood that over the past year, there was a policy in staff accommodation to make rents, I think the term was "market value", that it was up to commercial rates.

It seems to me that that's a lot of underestimating. Is there some explanation for that? Is it really up to commercial rates, or are we actually charging less than what we should for rents?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: Mr. Chairman, I could probably explain that by giving you some background on what we are charging.

We actually have two rental structures in place at the moment. We have the old historical rental structure in place, as well as a new structure, which we call a com-

parative market rent.

Now, comparative market rents are based on comparable Whitehorse accommodation, and then they are discounted for the distance from Whitehorse, the level of community facilities and amenities within that centre, and that is comparative market rent.

I believe we have somewhere in the neighbourhood of 127 units on comparative market rent, and still 70 units on the old historical rent base.

In addition to that, we have had an increase on the units that we rent from Federal D.P.W. of about \$30.00 per month, which on, I think at the time was about 40 housing units, and that represented a substantial increase.

Mr. Chairman: Ms. Millard?

Ms. Millard: Can we anticipate that the 70 units on old rents will be changed over the next year?

Mr. Schneider: I'm not in the position to answer that, Mr. Chairman.

Ms. Millard: Mr. Chairman, perhaps the Minister would answer that.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, the way I understand it, it depends whether or not the staff members move from the housing that they're presently in, into maybe new housing or they quit or whatever.

If new people move into that particular house in that particular community, they would then be charged the comparative market rent.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, you must have a formula by which you arrive at a comparative market rent for each of the — for all of the areas in the Yukon, and I'm not going to ask for that now, but possibly when we go into the Main Estimates, we could have that formula.

Am I correct in stating that the rental schedules are all part of the regulations under the Housing Corporation Ordinance, is it, or is it Financial Administration?

Mr. Chairman: Mr. Schneider?

Mr. Schneider: The implementation of rental increases is accomplished through a Commissioner's order, which is, in effect, for both rental scales at this present time.

That, Mr. Chairman, I'm told, falls under the Financial Administration Ordinance.

Mr. Chairman: Yes.
Mrs. Watson?

Mrs. Watson: Mr. Chairman, I would certainly like to get that formula for when we go into the Main Estimates.

Mr. Chairman: Mrs. Watson, do you think you could remind yourself to wait until you're recognised from the Chair. The recorders can't pick up your voice.

Mrs. Watson: Thank you, Mr. — Mr. Chairman?

Mr. Chairman: Yes, Mrs. Watson?

Mrs. Watson: Thank you.

Mr. Chairman: We got that one.

Vote No. 18, \$162,269.00.

Clear?

Thank you, Mr. Schneider. We'll turn now to Project Capital, Page 43, \$2,176,100.00. Establishment Number 2005, Territorial Administration Building, \$1,687,000.00.

Mr. Lengerke.

Mr. Lengerke: Yes, I wonder if we could be supplied with a list of the — I imagine this is overruns or overexpenditures on the cost of the Capital Building. I'd like some details on that.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: Mr. Chairman, it's mostly a re-vote of '75-76 funds that weren't spent. It's a 1.1 million dollar re-vote and \$587,000.00 to complete for a total of \$1,687,000.00. The total projection cost is \$11,300,763.00. The DPW estimate was \$10,834,587.00. so the total overexpenditure and overestimate on the building was \$465,000.00 and in this day and age that's pretty good estimating.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: It's an excellent figure that the Minister has provided us with. 465,000 on a project of that size but I would still like to know, if we may, a breakdown of the 465,000.

Mr. Chairman: Establishment 2180. Staff Accommodation, decrease \$225,400.00.

Mrs. Watson?

Mrs. Watson: Mr. Chairman, with your indulgence, could I ask one more question on 2005?

Mr. Chairman: Yes.

Mrs. Watson: Mr. Chairman?

Mr. Chairman: Mrs. Watson.

Mrs. Watson: This is a re-vote of \$1,687,000.00 for the Territorial Administration Building. Is this going to complete the project or are we going to be asked to re-vote this money again in '77-78?

Hon. Mr. McKinnon: I understood it. I stand to be corrected. This is the final vote on capital for the building, but I've been led to believe that for five years on the VHF radio equipment, too, where you'll see further funds being expended.

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, in the 1977-78 there is an amount, I believe, of about \$40,000.00 for completion of landscaping. And that we believe is the end of it.

Mr. Chairman: Establishment 2180.
Mrs. Watson?

Mrs. Watson: Mr. Chairman, I am somewhat confused. In 2005 we are re-voting money from the '75-76 funds so we must have had a \$1,687,000.00 surplus in '75-76. Is this correct?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, I believe, as Mr. McKinnon said, that most of it is a re-vote, approximately \$1,187,000.00 and, I am just checking the Territorial accounts, but I believe that was the amount that was shown to have lapsed last year.

The amount shown as a lapsing balance last year was \$1,114,000.00, so approximately, then, I guess that's 560 or 570 which is new, and about \$1,114,000.00 re-voted.

Mrs. Watson: I see.

Mr. Chairman: Establishment 2180, Staff Accommodation decrease, \$225,400.00.
Ms. Millard?

Ms. Millard: Mr. Chairman, why was the full program not carried out?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, the reason there's a decrease in this Establishment in relation to the capital program is because some of the programs that were planned for last year did not go ahead, and I'll give you an example.

One example is in the area of Destruction Bay, there was some monies available for that particular area, and apparently the program did not go ahead, so that's why there was the lapsing of this particular Establishment.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, why didn't the program at Destruction Bay go ahead?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, my understanding at that time was that there was some problems in relation to land and this kind of thing, and in relation to surveying and this type of thing, in relation to getting land made available for housing projects.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, Mr. Lang is correct, that is in my riding and I was involved in it, and the Yukon Housing Corporation were prepared to go in there and build, only the site that they had chosen where there were existing utilities, wasn't really a desirable site, as far as the people who have to live in the housing, so they were looking for a different site, which meant making provision for utilities and the whole thing, so this one was quite a legitimate postponement on the part of the Housing Corporation.

Mr. Chairman: I think, Mrs. Watson is probably supporting you, Mr. Lang, just to keep you off balance.

Hon. Mr. McKinnon: Mr. Chairman, in the Mains, there is a land development project reflecting the wishes of the people of Destruction Bay in this year's Local Government vote.

Mr. Chairman: Thank you, Mr. McKinnon.
Clear? 2181, Assisted Home Ownership Program, decrease \$1,200,000.00.
Ms. Millard?

Ms. Millard: Could we have an explanation?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, it's my understanding approximately two years ago, the Yukon Housing Corporation made use of the AHOP program to put up in the area of 15 units, I believe it was 15 within Whitehorse and the private sector at that time saw how they sold, so subsequently they have gone directly to CMHC for funding in — for funding from the AHOP program, rather than going to the Yukon Housing Corporation, and that's the reason for the lapse.

Incidentally, apparently it's a very successful program, and there are a lot of people taking advantage of it.

Mr. Chairman: You mean the Territorial Government is standing aside for private enterprise?

Hon. Mr. McKinnon: Mr. Chairman, the Territorial Government knew the program could be successful and went into it to show the way, because private enterprise wasn't interested in picking up the AHOP funds from CMHC, and as soon as government proved the success of the program, then private enterprise went into it in a big way, and we withdrew, which I think is the way that governments should operate.

Mr. Chairman: I think that's what I meant, Mr. McKinnon.
Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, well and good, but I must also say that no land was available and I think that, you know --

Mr. Chairman: They also increased the amount available under AHOP programs too, so that private builders could become involved.

Mr. Lengerke: Anyway, we are glad to see it being utilized by the private sector.

Mr. Chairman: Clear?
Mrs. Watson?

Mrs. Watson: Mr. Chairman, then, if I understand the Minister of Education and Housing correctly, that this money was not used because there was no need for it because private enterprise was taking over in that area.

We will not then be asked to re-vote the money, it will be allowed to lapse, is this how it's going to be handled?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Yes, Mr. Chairman, this is correct.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman if it's going to be allowed to lapse, why is it used then to calculate, to come to the final figure of 2,176,000? You know, there are the increases and the decreases, and if one fund is going to lapse and not going to collect it, then you have no right to use it in there at all.

Hon. Mr. Lang: Mr. Chairman, may I suggest you direct that question to Mr. Williams, if you would, please?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, this is one of those programs which we designate as being 100 per cent recoverable. We expend the money out of our own working capital, and then as the houses are sold, we get reimbursed from CMHC, so in this particular case, the expenditure authority is being allowed to drop, and you will see a corresponding decrease in the capital recoveries of the same amount.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I can understand this now, and I am somewhat concerned, because this is reflected in the recovery side, the \$1,200,000.00, that there is not the recovery that we were expecting, right?

Mr. Williams: Mr. Chairman, that's correct. We're decreasing the expenditure and decreasing the recovery by the same amount.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, but by the same token, when we vote the appropriation and we vote the Appropriation Bill, there is no record of the recovery whatsoever.

Mr. Williams: Mr. Chairman, that's correct. The only thing that gets voted are expenditures. We always reflect the revenues and recoveries, of course, to try and give the Members the overall picture of our financial position.

Mr. Chairman: I think that is what Mrs. Watson is after. Mrs. Watson?

Mrs. Watson: Mr. Chairman, I can, and I'm not addressing the question to the Treasurer at all, I'm just addressing it generally. This is the one thing that does concern me with the appropriations that we're going through, with the bill that we're concerned with now. We are just voting to spend money and yet we know that some of the money — we're allowing them to spend \$200,000.00 and they're going to get 100,000 of it back, and we're being shown the recovery in other areas, but they actually don't mean a darn thing on the appropriations and you really — we don't get a clear picture of the

finances of the Territory when we go through the appropriations.

Mr. Chairman: Twenty-one eight, two. Public Housing. \$219,000.00. Mr. Lengerke?

Mr. Lengerke: Again, Mr. Chairman, I wonder if we could have specific details as to the overexpenditure here?

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, this refers to projects that had not been completed at the year end and what it is, there was no allowance for revolving funds and therefore we need additional funds and this is in reference to the 24 suite apartments in reference to some rental and purchase homes in the outlying communities to complete these particular housing programs.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: I'm still at a loss here as to, did we not appropriate certain monies, budget for a certain project, and then have, these were not completed, that's understandable, it would carry them over, but are they this much over estimate?

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, it's not just a matter of being over estimate. Undoubtedly, some of them are probably over estimated but some of these funds relate to completion, relate to costs required to complete projects which may have been started over the last one, two or three years perhaps. Perhaps a project was built two or three years ago and in this past year or they might have gotten around to doing the landscaping. So there's a combination of items here. The 24 suite apartment block was approximately \$50,000.00 over spent. The remainder of the amount though involves a combination of revolving amounts which would have lasted the previous years and in the overexpenditures in projects, if there were any.

Mr. Chairman: Perhaps we could appropriate about \$1,000.00 of that landscaping for behind Mr. McCall and Mrs. Watson so that the plants that have died from hot air could be reborn.

(Laughter)

Mr. Williams: Mr. Chairman, for example, in last year's Territorial Accounts, you'll see that there was a lapsing balance of some \$283,000.00 under Public Housing, a portion of which would have been money which had been budgeted for some of the projects which were completed this year. Perhaps the money had been budgeted last year or in prior years.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Judging by the hesitancy in concurrence, I would doubt if these items are very clear.

Two one eight three, Rural and Remote Housing, decrease, \$400,000.00. Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman. I would like a little explanation on this one, on what the rural and remote housing even ever was and why didn't the program proceed?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, if you recall last budget session, there was an amount of \$400,000.00 voted for this particular program and it was explained at that time, and it's my understanding, that it is an agreement between the Yukon Housing Corporation and Canada in relation to this particular program, to attempt to bring in some northern construction of housing in the Yukon, for example making use of log structures.

The reason it did not go ahead was that apparently there was a committee struck between the Yukon Housing Corporation and various other interest groups that were interested in this program, for an example the Yukon Native Brotherhood and Y.A.N.S.I., and at that time they were discussing it and they never did get it off the ground.

If you look in the Main Estimates for this year, there's monies available for this particular program also and it would appear that there may be some construction, log structures, built possibly in the Carcross area this coming year.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, that concerns me, certainly an amount appropriated like this for a, what I would say, a very good purpose. We have a Yukon Housing Corporation who are part and parcel of a group, an interest group, Y.A.N.S.I. and the Yukon Brotherhood — how come the Yukon Housing Corporation really didn't take some leadership and initiate some steps into getting something done?

I recall that we did have representation at last budget session, there was a person up, I think, representing Central Mortgage and Housing, that we talked to that was a specialist in this rural and remote housing program, and again I'm just wondering Mr. Chairman, you know, I think we as a Territorial Government certainly should take some initiative here and get something like this launched because it is a program for — I'm sure the emphasis is for native people, but we should certainly take that thrust and then get something moving.

I would hope that we do so in the future.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, as I stated a little earlier, it would appear that this program will be going ahead, at least in one community in the Yukon this forthcoming year, and I don't think the Yukon Housing Corporation can be faulted for taking the leadership in this particular program because, the way I understand it, they were the co-ordinating body attempting to get this particular program off the ground, for whatever reasons, trying to get the criteria and guidelines in relation to this particular program may have slowed it down somewhat.

But I don't think the Yukon Housing Corporation can be faulted for not taking leadership because I believe that they were and are doing the best they possibly could.

And I should say, furthermore, that this program, the way I understand it, would be available to Yukoners in general, which is the way any program should be authorized as far as I am concerned.

Mr. Chairman: Clear?

Twenty-two oh one, Office Furniture and Equipment, \$9,900.00. Clear?

Twenty-two oh two, Liquor Control Equipment, decrease, \$2,500.00. Mrs. Watson?

Mrs. Watson: Mr. Chairman, with your indulgence again, I would like to go back to 2201. Additional funds were not for furniture but of data processing equipment. What part of the government got the data processing equipment?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, they were for Treasury. The major component of that, I believe, was a special vault to store computer discs and that sort of thing.

When the Auditor General's study team was here, that was one of the things he commented on and his recommendation appeared to be quite valid, and we thought it was a good recommendation so we bought the data vault immediately.

Mr. Chairman: Twenty-two oh two. Clear?

Twenty-two oh three, Central Purchasing Equipment, decrease, \$2,400.00. Clear?

Some Members: Clear.

Mr. Chairman: Twenty-three oh one, Miscellaneous School Equipment, \$18,200.00. Clear?

Twenty-three fifteen, Mayo School, \$20,000.00. Clear?

Twenty-three sixteen, Vocational School Equipment, \$22,000.00. Clear?

Twenty-three forty-one, Vocational School House Construction, decrease \$15,900.00. Mrs. Watson?

Mrs. Watson: Mr. Chairman, on the Vocational School Equipment, it's sort of an icky-picky thing I know, but they're saying that they have to expend money to refurbish the dormitory, which is understandable, refurbish. It says that costs will be covered through dormitory rentals. Well, can capital costs be recovered through a rental? Aren't usually the Operation and Maintenance costs recovered?

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, this particular item relates to the rental of the Vocational School to the Department of National Defense for the cadets and their rental roughly covers the amount that is included in this particular vote. What we have done is replaced all the furniture and beds in the Vocational School on renting it. And this is one of their complaints a year ago in relation to using the Vocational School, that they found that the

beds were not adequate and they asked if they could be replaced and we made the decision to go ahead because they were in need of some repair.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, that's certainly contrary to normal budgeting practice of all other departments within the Territorial Government. They never do that.

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, the recovery is in fact reflected in the O & M recoveries. The intention of the Vote wording was just to point out though that the expenditure is eventually going to be recovered although the Member is correct that the recovery is reflected in O & M as opposed to a capital recovery.

Mrs. Watson: Mr. Chairman, but it was a capital expenditure?

Mr. Williams: That's correct, Mr. Chairman.

Mrs. Watson: Mr. Chairman, why was it not as an O & M expenditure then?

Mr. Williams: Mr. Chairman, the replacement of equipment is normally charged to capital and that was what happened in this particular case.

Mr. Chairman: Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, if you look in your recoveries a little further on, there is recoveries in the area of \$20,000.00, if I'm not correct. Am I correct on that? I think it's \$20,000.00 in relation to the rental. What we're saying is that in the capital we spent \$22,000.00. We'll recover \$20,000.00 in the Operation and Maintenance side of our budget, so it's not strictly a capital expenditure that's going out the window without any recovery of any kind. I realize what you're saying is if this does not come back into capital in relation to the \$20,000.00 we have, but at the same time we are recovering it.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Well, Mr. Chairman, I would certainly suggest that that be deleted in the future when you're describing your recoveries because it has nothing to do with the capital expenditure. And, furthermore, you don't identify a recovery, the amount of money we received from the cadets to be used as what paid for the mattresses because, you know, you just can't operate the budget that way. And so I think that's most misleading and it certainly should never be done again.

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, I think the Member's point is well made. That wording is perhaps not precise as it should be. The idea wasn't to mislead anybody, it was just to allude to the fact, in one way or another, the

money is eventually going to be recovered, but the Member's correct, the Vote wording there is a bit inconsistent although the accounting policy is consistent with the way we normally deal with these things.

Mr. Chairman: Twenty-three forty-one. Mr. McIntyre?

Mr. McIntyre: Mr. Chairman, I wonder if the Minister could tell us why this project was dropped? Was it because there weren't enough carpentry students to take part in it?

Mr. Chairman: Mr. Lang.

Mr. Lang: Mr. Chairman, it's my understanding, and I'll check this out, it's my understanding that the instructor was sick for a period of time and this is why this particular project was slowed down somewhat. Also, at the same time, the building of these houses sometimes have been done in such a manner that in order to get it done in a financial year they've had to bring in sub-contractors sometimes to do some of the plumbing and this sort of thing in order to get it done.

It's our feeling that this should be changed in the hope that the Vocational School should do the whole of the house, rather than doing some of the, putting some of the areas of construction out to sub-contractors in relation to trying to get it done in the financial year. So there's two reasons for the decrease in that particular area.

Mr. Chairman: Surely you would require a qualified electrician for the electrical work. Mrs. Watson?

Mrs. Watson: Just for information, is the house under way now? Have they started on it?

Hon. Mr. Lang: Mr. Chairman, I'll have to bring that information in.

Mr. Chairman: I would also be interested in knowing how the costs of building relate to the sale price of the houses that they have. Mr. Lang.

Hon. Mr. Lang: Mr. Chairman, if you look in your Recoveries in this particular item, there's in the area — the last house cost \$47,000.00 to build and I think we sold it for 53,000.

Mr. Chairman: Mr. McCall?

Mr. McCall: Mr. Chairman, wouldn't you call that speculative?

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, I don't think it cost \$47,000.00 to build, I think that's the upset price that was set. I think if you check back, this is what the information we want to know, we want to know how much was of materials and supplies for the building of that house, because you don't charge salaries to the project.

You may charge the salary of the carpentry instructor and the sub-trades if you hire them, but I think this is the information. What was the materials and supplies and the value of the land, what was that cost?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I'll have to apologize. I don't have that off the top of my head, but I'll see if I can bring that information in.

Mr. Chairman: 2345, Ross River School.
Mr. McIntyre?

Mr. McIntyre: Yes, Mr. Chairman. What was the nature of the engineering required for the Ross River School?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I don't quite understand the question.

Mr. McIntyre: Well, Mr. Chairman --

Mr. Chairman: Mr. McIntyre?

Mr. McIntyre: -- there's a lot of pre-engineering done for that Ross River School, and a great deal of planning went into providing for permafrost stabilization, and I'm wondering if this additional engineering was caused by the fact that the original engineering didn't work?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, I don't have an exact breakdown, but a portion of the engineering, or I think most of the engineering charges were internal charges from our own architectural section related to final inspection of the building and perhaps some work they did throughout the construction of the building, but I'm sorry, I don't have an exact dollar amount for the Member.

Mr. Chairman: In view of the ever widening cracks in the floor and the walls, will there be another engineering study contemplated, Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, we may have to take that into consideration at a later date.

Mr. Chairman: Mr. McCall?

Mr. McCall: I'm curious, Mr. Chairman, as to the purchasing of equipment for Ross River School. Could we have an explanation, what equipment?

Mr. Williams: Sorry, Mr. Chairman, I don't have the breakdown but I'm sure we can get it.

Mr. McCall: Mr. Chairman?

Mr. Chairman: Mr. McCall?

Mr. McCall: Yes, maybe we could get that at the same time when the explanation on this engineering.

Mr. Chairman: 2346, French Language Program, \$8,000.00.
Mr. Berger?

Mr. Berger: Could we possibly have an explanation in French on that please, or an explanation anyway?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, when the lab was being constructed, the federal government, I believe it's the Department of State, Secretary of State, agreed to provide us with \$100,000.00 for equipping the lab. They in fact, did give us the \$100,000.00 but we didn't spend the full \$100,000.00, and this is just a re-vote of that amount, so the amount is, in fact, has been totally recovered from the federal government.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, are we within the \$100,000.00 of the capital expenditure we've made for the French Language program?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, yes we are, I believe we're slightly under.

Mrs. Watson: Thank you.

Mr. Chairman: Clear?
2347, Proposed Riverdale School, \$16,500.00. Mr. McCall?

Mr. McCall: Could we have an explanation on this 16 grand, Mr. Chairman?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, the way I understand it, there was a commitment made approximately two years ago to an architectural firm to draw up some plans for a possible school in the Riverdale area.

Subsequently, those plans have been submitted, and the bill was submitted with them, and we had to pay for the expenses incurred, due to the cost for planning of a new school.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, just a comment about that. I hope the Minister concurs that he'll be able to use those plans of that school, when they construct it at possibly some other area of the city.

I understand that the Minister is not too eager to construct another school in Riverdale, at least at this point in time, which I can well appreciate, but hopefully those plans can be utilized somewhere else.

Mr. Chairman: In his own constituency possibly.
Mr. McCall?

Mr. McCall: I was going to say, Mr. Chairman, for that price, he better, \$16,000.00 that's a lot of money for a set of plans which took two years to complete. I hope you don't set up a new type of set-up, where every time you want plans done, it's going to cost us that amount of money and that amount of time.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I'm sure that those plans will be taken into consideration if we are going to build another school. At the present time, there is no thought of building another school, because within the City of Whitehorse, especially, there's a decline in the attendance, students attending school, in the area of 100 pupils, if I'm not mistaken.

The only other thing that we possibly might be doing and maybe you'll be seeing in the estimates, is the possibility of moving some of the portables and making a primary annex in the back end of Riverdale, in relation to the kids that have to walk to school. This is a possibility that we're looking at at the present time, but in relation to building a new school, I think that's two, three years off.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I think the Minister partially answered my question. These plans are for a brand new school or are we talking about an extension to the junior high school?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, my understanding was it was for a totally brand new school.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, we had — we vote money every year for pre-engineered Territorial projects, \$50,000.00, but I know that isn't a great deal, but do you go through the pre-engineering before you enter into a contract with an architectural firm to do the study or the engineering for a school or a building of this extent?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, the Treasurer could correct me if I'm wrong, but it's my understanding that we go through the Department of Public Works in relation to any of our major capital expenditures to seek their concurrence and their thoughts in relation to any new projects that we have in mind.

Mrs. Watson: Mr. Chairman, that was done in this instance, was it?

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, there may be one or two Members in this particular House at the present time that might know that. My understanding, it did go through engineering, but I could double check on that.

Mr. Chairman: 2401, Identification and Lamination Camera, decrease, \$3,000.00.

Mr. Lengerke:

Mr. Lengerke: Mr. Chairman, in what connection — in what department was that connected with?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, it's the Department of Territorial Secretary.

Mr. Lengerke: Okay.

Mr. Chairman: What project was this referring to?

Mr. Williams: Mr. Chairman, I stand to be corrected, but I believe they had considered the possibility of producing a driver's licence which contained the individual's photograph.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, do I understand now that that program is washed out, we are not going to have it?

Mr. Williams: Mr. Chairman, I'm sorry, I don't know if they've decided against the program, or if there's just a delay in instituting it. Perhaps I can get the answer and report back.

Mr. Chairman: Would any of the Ministers have any information for us?

Mr. Fleming:

Mr. Fleming: Mr. Chairman, I would be just as happy to wait, if they would try and bring the information forward.

Mr. Chairman: The Member responsible is not in Whitehorse.

2402, Territorial Secretary, Miscellaneous Equipment, \$1,000.00. Clear?

Some Members: Clear.

Mr. Chairman: 2501, Northern Health Services Construction, decrease of \$20,000.00.

Mr. Berger:

Mr. Berger: Yes, Mr. Chairman, two questions: Where was the construction and where was the decrease?

Hon. Mrs. Whyard: Mr. Chairman?

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, those funds had been provided for planning additional health facilities at Faro. The plans were not prepared during that budget year and that's why there's a reduction of 20,000.

Mr. Chairman: What is the status of the addition to the Faro Nursing Station now, Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, we met with the Board of Health at Faro last fall. Their concern was to provide a facility which would service the community with clinics for a two doctor set-up, in addition to the planning that is being done by the federal department for enlargement of the nursing station at Faro.

So it's really a two-pronged plan, one at the community level, one at the federal department level. All we do is put a figure in our budget to enable really, we are not in charge of the planning at this stage because it's still a federal departmental responsibility.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, there was still \$136,000.00 in there, why wasn't the construction done with that money?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, I believe those were the costs required to complete the project in Watson Lake, our share of the costs.

Mr. Chairman: Mr. Berger?

Mr. Berger: Could we possibly get any information at a later date about that figure?

Mr. Williams: Yes, Mr. Chairman.

Mr. Chairman: 2503, Detox Centre, Equipment \$400.00. Clear?

Some Members: Clear.

Mr. Chairman: 2551, Juvenile — Mrs. Watson?

Mrs. Watson: Mr. Chairman, with — on that section where the Honourable Member from Dawson was inquiring, in our Main Estimates last year, there was money there to convert Pelly Crossing Health Station to a Health Centre, of \$34,000.00.

I'm sure that the Honourable Member is wondering whether that money was utilized for that project or not.

Mr. Chairman: I presume this information will be forthcoming. I think that was the undertaking.

Mr. Berger?

Mr. Berger: I'm sorry to correct you, but I think — either I was asleep or we missed 2502.

Mr. Chairman: What are you referring to?

Mr. Berger: Well, Mr. Chairman, I must have been asleep because we talked about 2501 but then you jumped to 2503.

Mr. Williams: Mr. Chairman, there is no anticipated over or underexpenditure in 2502, therefore it doesn't appear in the — it does appear in the summary, but not in the detail.

Mr. Chairman: 2503, Detox Centre, Equipment, \$400.00.

Hon. Mrs. Whyard: Mr. Chairman, I wish somebody would ask me what that was, because I know.

That's a washing machine, Mr. Chairman, and you can readily acknowledge the requirement for doing a lot of laundry in that place.

Mr. Chairman: 2551, Juvenile Training Home, \$6,400.00. They are those lingering capital charges, Mr. Williams?

Mr. Williams: Yes, Mr. Chairman. I'm sorry, I don't know the full details, but at the time that Wolf Creek was constructed, there was a disagreement between YTG and the contractor, I believe as to the total costs, so we had tried to recover certain costs from the contractor, and the costs were set up as an accounts receivable.

When the final settlement was made, it turned out that we didn't recover back as much as we wanted, so the \$6,400.00 is being taken out of accounts receivable and it is shown as an expense.

I'm sorry, I don't know what the nature of the disagreement was.

Mr. Chairman: Clear?

Twenty-six oh one, Roads, Streets and Sidewalks, decrease \$37,200.00.

Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, I'm always concerned when I see an under-expenditure on an item like this because some community is probably suffering or has lost benefit of a project and I am just wondering what community didn't get a sidewalk or didn't get a road.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: I think it was Watson Lake and Carcross for various reasons and both will be revoted for next year.

Mr. Chairman: Twenty-six oh two, Local Services, decrease \$10,000.00.

Mr. Fleming.

Mr. Fleming: Yes, Mr. Chairman, I also have this same concern as the Member on my left for these things. I find all through the budget the same things. There's so many little things in the outlying districts, they always seem to have money left over and never being spent and this is another one. Would you mind explaining what these funds were for to start with?

Hon. Mr. McKinnon: There's an ongoing fund of \$70,000.00 in every fiscal. It's providing for the purchase of equipment for LIDs and unorganized areas. Part of that consists of major capital expenditures that we know of, like pick-up and water trucks and things like that, and then an amount is left for miscellaneous equipment. All the major capital items to the tune of some \$56,000.00 were purchased this year and some of the money from miscellaneous minor equipment has been unexpended to this date.

Mr. Chairman: Clear?

Twenty-six oh three, Land Development, decrease \$1,12,000.00.

Mr. Fleming.

Mr. Fleming: Yes, Mr. Chairman, I wonder if the Minister could tell us what projects, where, what pro-

jects and where, that did not proceed?

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: The money that forms the biggest part of this, that wasn't expended in this establishment, Mr. Chairman, is the completion of the work started in the Riverdale and Porter Creek expansions last year. It's a two-year project; they're putting water and sewer in the planning and we voted all the money for the completion of the project last year. Of course, they won't be completed until into this fiscal year. So there'll be a revote of those funds. That's the biggest single item.

There's other items like the Honourable Member from Kluane said that Destruction Bay didn't go ahead for various reasons this year. There was industrial expansion in Dawson; the trailer court expansion in Haines Junction that didn't go ahead last year for various reasons. There was a dry subdivision in Porter Creek, Crestview, and an industrial expansion and recreational lots in Watson Lake that didn't go through because of problems that we ran into with mineral claims in the area that we were trying to develop. So there were various and sundry reasons why different projects that we had planned and thought we could go ahead with didn't go ahead, but the biggest majority of this revote will be in the Porter Creek and Riverdale areas where they are a two-year project, not a one-year project.

Mr. Chairman: Clear?

Twenty-six twelve, Community Assistance Plan, \$207,500.00. Clear?

Twenty-six eighteen, Escarpment Control, \$14,200.00.

Mr. McKinnon, I don't understand. It says to provide additional funds and then states that these funds are being revoted.

Hon. Mr. McKinnon: Neither do I, Mr. Chairman. Perhaps the Treasurer can help us out.

Mr. Williams: Mr. Chairman, it's just imprecise vote wording. It is in fact a revote.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: I wonder, Mr. Chairman, at this time if the Treasurer or Mr. Williams could give me an idea on how we stand on the Escarpment Project in total? The money that we did get from the Federal Government, some two million or additional, what is the balance and where do we stand with it? The Minister could probably enlighten me on this.

Hon. Mr. McKinnon: I don't know right up to date, I think that we're right up with our last \$600,000.00 that we've given for the purchase of the properties, but the Treasurer could give us an up-to-date report on it.

Mr. Lengerke: Are there any outstanding invoices from the City, say, with respect to this, for purchase of properties?

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, so far the Federal Government gave us \$800,000.00 in the fiscal year 1975-76 and \$600,000.00 in this current fiscal year, 1976-77, and there's a further \$600,000.00 to come in the next fiscal year. As far as I'm aware, the entire \$1,400,000.00 which we have received to date has now been distributed to the City.

Mr. Chairman: Are these funds referring to that, this is a \$14,000.00 item? And it says Escarpment Control. Mr. Williams.

Mr. Williams: Yes, Mr. Chairman, if you look in your Territorial Accounts, for some reason we didn't pay the City the entire \$800,000.00 last year. We paid them approximately \$786,000.00 I believe. So, therefore, this year we're paying them the \$600,000.00 plus the 14,000 and change that was missed last year.

Mr. Chairman: Clear?

Two seven oh one, Campground and Rest Stop Development, decrease, \$9,000.00. Clear?

Twenty-seven oh three, Historic Sites and Development, \$2,300.00. Clear?

Twenty-seven forty-one, Library and Archives Equipment, \$2,000.00. Clear?

Twenty-nine oh four, VHF Radio Communications Equipment, \$28,000.00.

Mr. McCall?

Mr. McCall: Yes, I wonder if the Minister would be good enough to give us an explanation for this particular vote.

Hon. Mr. McKinnon: Yes, Mr. Chairman, I've been assured for the fifth time that this is the final, final, final capital cost of the VHF Radio Communications Equipment, which now has a total projected cost of \$1,391,534.00, and I will be the most surprised man in the world if we don't see another capital item in next year's budget, and supplemental, for further additional capital costs for the VHF system.

Mr. Chairman: Clear? Oh, Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, could the Minister tell me, are there any capital costs that were recoverable from the Federal Government under that program at all, capital costs recoverable?

Hon. Mr. McKinnon: I don't think capital; I think it was just O & M costs that we're getting back, but I could be corrected on that.

Mr. Chairman: Mr. Williams?

Mr. Williams: That's correct, Mr. Chairman, we do recover an O & M charge from all user departments, including the Federal Government.

The capital cost was financed through our regular annual capital grant from the Department of Indian Affairs.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, does the Minister

know if we ever applied to the Federal Government for any assistance through M.O.T. or some of the other programs that are available for Northern Communications?

Hon. Mr. McKinnon: Mr. Chairman, I think if the Honourable Member will check the Votes and Proceedings, when I wasn't responsible for the engineering portfolio, that I kept asking the same questions every year, when a further capital item on the VHF radio equipment came up.

Mr. Chairman: The inference being there's a lack of communications?

Hon. Mr. McKinnon: No, the inference being that no Federal Department was willing to pay any of the capital costs of it, and we just kept getting further and further into this sophisticated system; it cost more and more money to the Territorial taxpayer.

Mr. Lengerke: Thank you.

Mr. Chairman: Twenty-nine oh nine, Building Contingency Fund, \$37,500.00.
Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, what are unforeseen projects?

Hon. Mr. McKinnon: Mr. Chairman, my colleague the Minister of Education should be here, because I have a vested interest in this because the majority of the funding is going to provide a ventilation system for the Whitehorse Elementary School Gymnasium, which my son attends, and I tell you, you get in that gymnasium and it does smell of little boys in there.

Mr. Chairman: Clear? Mr. McCall?

Mr. McCall: I guess the remainder goes to the engineering plans, Mr. Chairman.

Mr. Chairman: Mr. Berger?

Mr. Berger: No, I would like to correct the Honourable Member from Pelly. I think that a large amount also goes to Dawson, because we also have to install ventilation systems in the new houses they just installed last year. They were installed without any ventilation.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, just for a moment's diversion, if I may. There was a certain amount of levity regarding the lack of ventilation in school buildings. I would like to draw to the attention of the Honourable Members that this can become a very serious matter.

If you had, as we had last year, a student who faints because of the lack of oxygen in the premises, falls upon her face, destroys her two front teeth, has a lifetime bill for orthodontics and tries to sue this government.

Mr. Chairman: This is sub judis, I presume, so we can't comment on that.

Hon. Mrs. Whyard: Mr. Chairman, I would like to assure all Members of the importance of having insurance on all school children in every family.

Mr. Chairman: That's an unforeseen project.
Twenty-nine ten, Pre-Engineering, Territorial Projects. Mr. McCall?

Mr. McCall: Which projects are these, Mr. Chairman, apart from the one we've already been given money for?

Hon. Mr. McKinnon: Mr. Chairman, we're trying to do more and more projects in the winter months with the staff that we have that move in from the field, in doing the pre-engineering on projects which we hope to get under way during the following year.

I think one of the areas, if I remember the latest one that was brought to my attention, was attempting to get some pre-engineering done for the Remand Centre in the Whitehorse Correctional Institute, and projects of this nature, where we don't go out to architects or engineers but use our own engineering staff who are in the building during the winter from the field, and try to get as many of the smaller projects engineered so that we can get them under way the first thing in the spring.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: What sort of items would be represented here is what I'm trying to get.

Hon. Mr. McKinnon: I don't have a breakdown of the items. There's different ones mentioned. The last one which I recall was the Correctional Institute. I don't know if Mr. Treasurer has a breakdown of this \$50,000.00.

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, the majority of the charges against that particular establishment represent the salaries of the engineering and architectural group. There is a large body of men that don't get charged directly to an O & M establishment. They get charged to this particular establishment here, 2910, building inspectors, I believe some civil engineers, those sort of people. Wherever possible, they try and charge their time to specific projects which they are working on. For instance, earlier, we talked about the engineering to some of the schools.

However, on some of these, at the initial stage of some projects, it's too premature to charge their time to an actual project or quite often they're just doing very small jobs for people; therefore, those kind of charges remain in Establishment 2910. I don't know if that will answer your question, but basically it's salary charges in there.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: I was afraid to ask that. I was wondering if it was salary charges. Does this mean then that there is a decrease in some of the other establishments, where these people, where they do their work normally? And then you have a special project under this, 2910,

where this is charged back to it, is this correct? So there's a decrease of time or salary in some of the other establishments. Like with respect to the architect and the engineer.

Mr. Williams: That is generally true. Once again it's important to keep in mind that this is a fixed group of men and sometimes that particular type of workflow has got its ups and downs and so wherever possible if they're working on a specific large project they would charge their time to that project. If there's no large project to work on, or if, for instance, they're doing various small jobs for people or if they're doing preliminary jobs, then they charge their time to this particular Establishment.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: I'm not too sure if I really concur in what you're doing here. We're not getting charged twice. I mean, I realize that the individual is only getting paid once, but in our books we're not getting a kind of an inflationary situation here where we're showing costs twice.

Mr. Chairman: Mr. Williams.

Mr. Williams: No, Mr. Chairman, we're not. Wherever possible, we try and charge the costs related to engineering to the specific project involved. Where that's not possible, it gets charged to 2910. But it doesn't get charged to both places.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Twenty-nine thirteen, Robert Campbell Bridge, \$121,300.00. Another lingering capital project. Mr. Lengerke?

Mr. Lengerke: Another lingering capital project! Again, I'd like to know what the \$121,300.00 is for specifically, if we could have some answers.

Hon. Mr. McKinnon: I've got a good answer to this, Mr. Chairman. Both of these items, there are two items on the Robert Campbell Bridge which make up this \$121,000.00 and both of them are sub judis at this time. So I cannot comment on them, but we have to have the money available in case the Territorial Government loses.

(Laughter)

Mr. McCall: That's a good one, Mr. Chairman, but I'm just curious if the Minister could provide us with a total amount to date the Y.T.G. has spent on this particular project and a capital expenditure that is and what amounts will be recoverable from the Federal Government.

Hon. Mr. McKinnon: I won't even attempt it, Mr. Chairman.

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, the total cost is now, including the supplement, is now anticipated to be \$2,296,000.00, of which we've recovered \$155,000.00 from the City of Whitehorse.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: How much have we recovered from the Federal Government or are we going to recover from the Federal Government?

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, all our capital funds are provided by the Federal Government.

Mr. Chairman: Mr. McCall.

Mr. McCall: That question was not quite answered, Mr. Chairman. Are you saying that it's 100% recoverable?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, what I was alluding to was that there are some projects which are specifically 100% recoverable and this is not one of them. Our other projects are financed through our normal capital grant, the \$11,600,000.00 per year which we've been receiving from Indian Affairs over the last two or three years.

Mr. Chairman: Mr. McCall.

Mr. McCall: Maybe we should put a toll gate on the bridge for the people who are not residents over in Riverdale.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, after our discussions last year, we were informed that Y.T.G. share of it was \$660,000.00 and in the questions that were asked, was it clarified that, who is going to pick up the 121,000? Is that going to be all our share?

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, once again, when we talk about the Y.T.G. share, the Y.T.G. share is eventually funded from the Department of Indian Affairs.

I believe at one time the estimated Federal contribution to the bridge was something in the neighbourhood of a million, four. We're getting back approximately 150 from the City, and so the difference, the so-called Y.T.G. share of 6 or 7 hundred thousand dollars has been labelled the Y.T.G. share, but it still is, in effect, being funded out of Y.T.G.'s capital, working capital, which in turn originates in the first place from federal funding.

Mr. Chairman: But this is not a cost-shared project?

Mr. Williams: No, it's not.

Some Members: Yes.

Mrs. Watson: Mr. Chairman, it is a tripartite cost

shared — the Federal Government, the City and Y.T.G. does — and even though we get our capital grant our share of it from Ottawa we must remember that the \$660,000.00 we could be using for some other project in the Yukon Territory, even though it is a federal grant, our share of it, the 660, but we've given priority to the bridge with it.

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, I'll check to see if we received any money in addition to our regular capital operating grant. I don't believe we have, but I'll check and see if that's the case.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: That's the point that I wanted to make, Mr. Chairman, is I believe, at least I certainly understood that this is the way this project was to be set up, that this would be new-found money to whatever capital we do receive already, that it would certainly be a project by itself, but we would be picking up the, as the Honourable Member from Kluane has said, the cost sharing in that way.

I would like to get a full explanation on this, and just see where we do stand, because it's very important that we follow it up because certainly that was the agreement that was made at that time, and we are suffering if we have taken our portion out of other capital appropriations.

So I think it's a very important item, and we should get a full explanation.

Mr. Chairman: Yes, I think we all had that understanding, Mr. Williams, so ...

Mr. Williams: Mr. Chairman, I'll look into that.

Mr. Chairman: Mr. McCall?

Mr. McCall: Yes, Mr. Chairman, I believe that was introduced as a supplementary right at the beginning also, so we are getting behind.

Mr. Chairman: Twenty-nine fourteen, Whitehorse Work Shop Extension, \$19,000.00.

Clear?

2915, Sewer Installations, \$15,000.00. Instead of calling it pre-engineering, they're calling it "Initial Design".

Clear?

Mr. Fleming?

Mr. Fleming: Mr. Chairman, that was going to be my question I was wondering why the deviation here to the initial design. Is that actually the pre-engineering, or is it just something else they are going to do before they start doing the pre-engineering?

Hon. Mr. McKinnon: Mr. Chairman, I think it could probably be covered in pre-engineering, it's been specifically put in an established number. It's a very interesting project, because this was one of the — this was the original sewer system when the American Army had their establishment there, they transferred it over to the Canadian Army, and it's old septic tanks, which are

leaking, of course and pushing raw effluent into the Yukon River.

So now we are going to spend the money to hook up to the sewer system which goes down the road away, and then dumps the raw effluent into the Yukon River.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Is this in connection with the new works garage, the workshop?

Hon. Mr. McKinnon: It's the whole compound, as I understand it, the two YTG yards in the old, in the Marwell area, the two yards in the Marwell area.

Of course, the advantage will be that once it is into the city sewer system, which it will be, it will eventually be a treated product somewhere down the road.

Mr. Chairman: 2918, Territorial Road Improvements, \$85,000.00. What projects, Mr. McKinnon?

Hon. Mr. McKinnon: That's one project, Mr. Speaker, the paving of the south access road, which was — exceeded the initial tender by \$24,788.00.

Mr. Chairman: And?

Hon. Mr. McKinnon: That's the only one that I have delineated.

Mr. Chairman: That's correct, Mr. McKinnon. I believe the entire amount was spent on paving the south access road.

We're talking 2918 are we not?

Hon. Mr. McKinnon: Yes.

Mr. Chairman: Yes.
Mr. Lengerke?

Mr. Lengerke: Do I understand that correctly then, Mr. Chairman, that we spent \$185,000.00 on the south access road?

Mr. Williams: That's correct Mr. Chairman. I'll double check that, but --

Mr. Chairman: I think we would like clarification on that, Mr. Williams. It does seem a great deal of money.

Mr. Lengerke: Yes, Mr. Chairman, especially when we estimated or we budgeted for the \$100,000.00, and surely to God somebody must have been making some estimates --

Mr. Chairman: I think we've been putting that in the budget every year since we've been here.

2922, Airports - Dawson and Mayo, \$71,500.00.
Mr. McCall.

Mr. McCall: Yes, Mr. Chairman, what was that for?

Hon. Mr. McKinnon: The final, final contract for the Dawson City Airport for the painting and the landscaping. It's the relocation of the highway at the west end of runway and the Mayo Airport and a refueling system at

the Mayo Airport. All of these costs are 100 per cent recoverable from MOT, Mr. Chairman.

Mr. Chairman: Mr. Berger.

Mr. Berger: Thank you, Mr. Chairman. What's the difference between this and 2931 on the next page?

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, Establishment 2922 was used for completing — for the final costs in relation to the Dawson Air terminal because that was the number which had been used in prior years for the initial construction of Dawson Air terminals. So within Establishment 2922, as Mr. McKinnon stated, there are — is \$10,000.00 related to completing the Dawson Air terminal and the rest relates to improvements made in Mayo.

In the other Establishment, the other establishment reflects cost which related to, I believe, the refueling system, putting in sidewalk and an apron at the Dawson Airport, putting in some sort of visual approach indicator. I'm sorry, that's a technical thing that I don't understand. So that there are two separate projects involved, therefore it's two separate establishments.

I can give you a list of what was done under 2931. There was the apron construction and a sidewalk and that cost approximately \$38,000.00. There was a visual approach slope identification system, which cost \$16,000.00. There was the resurfacing done on the runway for \$125,000.00. Then there was a refueling system for \$13,000.00 and those costs make up the total of \$192,000.00 in Establishment 2931, all of which are recoverable from MOT.

If you want, I can give you a breakdown of what's in the other establishments. In Establishment 2922, there is \$10,000.00 to complete the air terminal building in Dawson City; \$55,000.00 for relocating the runway at the west end of the Mayo airport, and \$6,500.00 for installing a refueling system.

Mr. Chairman: Clear?

2923, Bridge Replace - South McQuesten River, decrease \$40,300.00.

Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, we got a real good bargain I think because we originally budgeted \$56,000.00 so that means we spent, what, \$16,000.00 for a new bridge. I'm curious as to how we did that. Either the McQuesten River went dry or we found a new way to span it.

Any explanation for it or did we not build a bridge? Can we have a --?

Mr. Chairman: Mr. Williams.

Mr. Williams: Mr. Chairman, I can't recall the exact explanation for that but I'll certainly get it for you.

Mr. Lengerke: Thank you. If we find out, we should apply the same principle to the Robert Campbell Bridge.

Mr. Chairman: 2925, Takhini Sewage Outfall Line - \$630,000.00. I trust this is in good repair, Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, this is the federal government didn't have the money to be able to put the line through the, from the old Takhini Camp down to the Yukon River so they came, hat in hand to the territorial government, asking to borrow the money over a two year period, and would repay it so we have given them the money in this point in time and I'm sure that they'll live up to their duty to repay it to us.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, this whole, from now on this whole section, Establishment 2925, right to the end of the capital projects, none of this money has originally been voted at all. I argued with the Honourable Member from Mayo the other day that we did vote the Engineering Agreement Capital Projects last year but it's quite obvious we didn't. It really leaves you up in the air when, after it's all finished, you're sort of supposed to vote the money.

I notice that in the budget this year, there was an indication that we would again be asked to vote the money in a supplementary, that they still didn't have the capital projects available that would be approved under the Engineering Agreement, is it, Services Agreement. It puts us in an extremely difficult position and I think that, while we have the right to question all aspects of the supplementary budget, certainly even these are going to require probably more questions because we've never even been aware of them before.

It appears as though we are being asked to do the same again, and I would like to ask anyone who's able to answer it, why can we not vote the capital projects under the Engineering Services Agreement, when we vote the rest of the estimates?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, I don't know the answer at this time, and I agree completely and totally with the Honourable Member from Kluane, and it seems that this is a problem that we're running into year after year, and it becomes more of a problem, when there is a political person in charge of the Department, because then he is answerable to all the Members of this House for monies that have been spent under an Engineering Services Agreement, which I understand is almost impossible to change, and really at the whim of a Federal Department.

So I think it's going to have to be one of the first areas that I'll examine, depending on how long I keep this portfolio responsibility, in attempting to get some type of arrangements where these capital, major capital projects can be questioned and voted on in the Main Estimates, because you know, we're just like a bunch of dummies coming here after the money has been spent, following the Engineering Services Agreement being ratified, following the Main Estimates in the spring and coming back like this and voting on the monies now that this has been used.

So I don't know the answers, I haven't had time to tackle the Engineering Services Agreement to this

point, but I know that we're put in this position year after year, and I don't like it any more than any of the other Members.

Mr. Chairman: Mr. Williams?

Mr. Williams: Mr. Chairman, without justifying the practice, perhaps I could give some background.

I am led to believe at one time in the past, it was the practice to include proposed projects under the Engineering Services Agreement in the Main Estimates, but unfortunately, what happened more often than not, the project would appear in the Main Estimates, the Territorial Government or the Legislative Assembly of the Territorial Government would vote and pass the projects and then some time later in the construction season, Ottawa would say, "I'm sorry, we don't have money for that project."

In other words, it got people — it raised people's expectations and then for one reason or another, the project never proceeded. So last year, the policy was adopted of waiting until they actually finalized the projects before presenting them to this Assembly.

At this point in time, we still don't have final approval on the — on their capital program for 1977-78. That's the background to the area.

Mr. Chairman: Thank you, Mr. Williams.
Mrs. Watson?

Mrs. Watson: Mr. Chairman, I will accept that, and I can understand the reasoning behind it, but I think we will have to pursue it a little bit further when we get into the Mains, because in several instances, I have people in my area who are waiting for some type of work that would come under this.

Now, they'll have no idea whether it's going to proceed or not. Actually, they are going to be more in the dark, and I think now is not the time to debate it, but when we get into the Mains, into the capital.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, it was an impossible situation either way, because for years we voted the paving of the Watson Lake Airport Road, and we were heroes in Watson Lake for one month, then the next month the Government of Canada said sorry, we haven't got the money this year, so it's out, so we were bums for the total rest of the 11 months, because we had appropriated and voted for it in our budget.

The other one that I know of that every year they say, we haven't voted in our estimates this year, but — or at any time, but this year I understood that we were going to put it in, and the monies that was forthcoming, was for the straightening and upgrading of that ten miles of road towards Haines Junction, which has been promised for I think ten years or so.

I understand now that it is unlikely, that that is going to proceed, so we would have been in that untenable position once again of voting monies on the strength that it was going to come, then having the monies eliminated after voting them.

So either way, the way we are doing it now or the way we did it before, were just untenable situations for the

elected Members to find themselves in, and it's six of one and half a dozen of another. I agree with the Honourable Member that we should examine that Engineering Services Agreement more closely, and I'm prepared to work with any of the Members who would like to do that, Mr. Chairman.

Mr. Chairman: Mr. McCall?

Mr. McCall: I see time is getting on, Mr. Chairman. Would you prefer the appropriate Motion right now?

Mr. Chairman: Yes, Mr. McCall.

Mr. McCall: Thank you, Mr. Chairman. I would move that Mr. Speaker do now resume the Chair.

Mr. Fleming: I second that.

Mr. Chairman: It has been moved by Mr. McCall, seconded by Mr. Fleming, 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: The motion is carried.

(Motion carried)

Mr. Chairman: The witnesses are excused. Thank you.

(Mr. Speaker resumes Chair)

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

Mr. Hibberd: Yes, Mr. Speaker, the Committee of the Whole considered Bill Number 1, Second Appropriation Ordinance 1976-77, and directed me to report progress, and asked leave to sit again.

Mr. Speaker: You have heard the Report of the Chairman of Committees. Are you agreed?

Some Members: Agreed.

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

Mr. Lengerke: Mr. Speaker, I move that we do now call it 5:00 o'clock.

Mr. Fleming: I second that motion.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the

Honourable Member from Hootalinqua, that we do now call it 5:00 o'clock.

Are you prepared for the question?

Some Members: Question

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I declare the motion as carried.

(Motion carried)

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

(Adjourned)

THE FOLLOWING SESSIONAL PAPERS WERE TABLED

77-1-1
Speech from the Throne *(March 1 1977)*

77-1-2
Meaningful Government *(March 2 1977)*

77-1-3
Territorial Accounts for year ended March 31 1976
(March 3 1977)

77-1-4
Yukon Health Care Insurance Plan Annual Report 1975
(March 3 1977)

77-1-5
Regulations Report *(March 3 1977)*