



The Yukon Legislative Assembly

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Debates & Proceedings

Wednesday, April 20, 1977

Speaker: The Honourable Donald Taylor

Whitehorse, Yukon Territory
April 20, 1977

Mr. Speaker: I will now call the House to order.
We will proceed with Morning Prayers.

(Prayers)

Mr. Speaker: We will proceed with the Order Paper.
The Honourable Member from Whitehorse North
Centre?

Hon. Mr. McKinnon: Mr. Speaker, I would like to rise on a point of personal privilege this morning. I was quoted on the CBC as stating that I wanted the amendments to the L.I.D. Ordinance passed quickly so that a five-man board can be elected in Haines Junction by December. Mr. Speaker, I said no such thing. On Page 783 of yesterday's "Votes and Proceedings", I stated that "it is the Government's intention to have an election for a five-member board in the Haines Junction L.I.D. just as quickly as possible and the machinery to start the election proceedings will get started upon the passage of Bill Number 14."

Further, Mr. Speaker, on Page 784, I further clarified our position in introducing the amendments by stating, "The other important principle of the amendments to the L.I.D. Ordinance concerning elections is that we try to get the mechanism in progress as quickly as possible to get the Haines Junction L. I. D. back under elected membership on the L.I.D. board."

Mr. Grant Livingston, the local government advisor for the Haines Junction area has gone to Haines Junction this morning to relieve the fears of the people which is exactly the reason that we are bringing in the amendments to the Ordinance, so we can get the democratic institutions back in Haines Junction, hopefully by early this summer.

Thank you, Mr. Speaker.

Mr. Speaker: We will then proceed with Routine Proceedings.

ROUTINE PROCEEDINGS

Mr. Speaker: Are there any Documents for tabling?

TABLING OF DOCUMENTS

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

Hon. Mrs. Whyard: Mr. Speaker, I have for tabling a summary of federal Established Programs Financing, which may be of interest to Honourable Members.

Mr. Speaker: Reports of Committees?

REPORTS OF COMMITTEES

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I have the honour to present the first report of the Standing Committee on Constitutional Development. Order of reference on

March 7th, 1977, the Yukon Legislative Assembly passed the following resolution establishing the Standing Committee on the Constitutional Development.

On motion of Mr. Lengerke, seconded by Mr. McIntyre, ordered that a Standing Committee on Constitutional Development for Yukon be established to enquire into and make recommendations with respect to constitutional development of Yukon;

THAT Messrs. McKinnon, Taylor, Hibberd, McIntyre, Lengerke and Ms. Millard be appointed to the said Committee and that the standing order 51(2) be suspended in relation thereto.

THAT the Committee have the authority to retain the professional, clerical and stenographic help it may require.

THAT the Committee have authority to adjourn from place to place and that the Committee have the power to report from time to time, to call for persons, papers and records, to print such papers and documents as they may be ordered by the Committee to arrange for verbatim transcripts and sit during inter-sessional period.

Organization: The first meeting of your Committee was held in the Legislative Committee Room of the Territorial Administration Building on March 9th, 1977. At your Committee's first meeting, Mr. Walt Lengerke was elected chairman of the Standing Committee. Other organizational matters determined by your Committee were:

(1) The presence of four members shall constitute the quorum of the Committee.

(2) Where possible, documents of the Committee should not be classified as confidential. Strategy papers may require to be classified.

(3) Meetings will not be in-camera unless political strategy is being discussed.

(4) The Standing Committee on Constitutional Development will meet every Monday at 8:00 a.m. in the Legislative Committee Room. When additional meetings are required, the time and place will be determined by the Committee.

Mr. Speaker, since the organizational meeting, your Committee has held ten meetings. The meeting of April 4th was held at the Yukon Indian Centre with representatives from the Council of Yukon Indians. Other witnesses that have appeared before your Committee are: Dr. Donald Thain, School of Business Administration of the University of Western Ontario; Dr. Art Pearson, the Commissioner of Yukon; Mr. Jim Smith, past Commissioner and past chairman of the Executive Committee.

Historical Prospective: From 1965 on, there have been motions passed and references made in the Assembly concerning constitutional reform and expansion of powers.

In motion number 40 of the First Session of 1966 and motion number 1 of the First Session of 1968, the suggestion has been made of expanding the number of elected representatives to fifteen and that the Advisory Committee on Finance be replaced by an Executive Committee of five.

Numerous motions have been passed during Sessions in the 1970's respecting the expansion of elected representation in the executive arm of government.

Immediate Issues: It will be your Committee's intention to:

(1) Meet with the Minister of Indian Affairs and Northern Development, the Honourable Warren All-

mand, as soon as possible to have positive input to the federal Overview policy for the North.

(2) To strengthen current structure to give greater local control now.

(3) To take steps to assure the possibility of Native representation.

(4) Adapt to the possibility of party politics entering this Assembly by future elections.

(5) Use more effectively, the authority and powers to which we are, at present, entitled.

Future Aspirations: Assured on-going constitutional reform will give Yukoners the concrete means to implement a positive program for the future.

Many basic economic and social concerns exist which must be solved by all Yukoners. A future with a strong constitutional structure will fully answer those concerns.

Recommendations: Your Committee recommends that:

(1) By resolution, this Assembly determine the increase in size and the method of expanding the Yukon Legislative Assembly.

Reasons:

(a) It is within section 9(1) of the Yukon Act that the Commissioner-in-Council may make Ordinances to increase or decrease the size of the Legislature but that number would not be fewer than twelve or greater than twenty.

(b) Expansion, depending on boundary definitions would enhance the possibility of Native participation.

(c) A greater number of seats would allow for the evolution of party politics, party politics being the system for providing truly responsible government in Yukon.

(d) Expansion may assure an addition to the Members on the Executive Committee which is necessary for local control and for a better balance of government.

(e) Expansion in the Yukon Legislative Assembly would be effective by the 1978 general election in Yukon.

The second recommendation is the elected representation on the Executive Committee be expanded. The reasons being:

(a) One of the objectives of your Committee is to recommend steps that will allow for the eventual evolution of the Executive Committee to a fully elected body. To this end, the Executive Committee would be expanded by the addition of one elected member. A primary responsibility of this additional elected member would be to meet the aspirations of the native peoples of Yukon.

(b) Expansion of elected representation on the Executive Committee would meet the desires of Yukon people to have greater local control over such areas as land, game, park, tourism, economic planning, transportation.

(c) The increase in the Executive Committee seats will encourage party politics to develop in the Assembly.

The third recommendation: The instructions given by the Minister of Indian Affairs and Northern Development to the Commissioner respecting the Executive Committee be amended to read as follows:

In all matters pertaining to the areas in which the Yukon Act gives legislative authority to the Yukon Legislative Assembly, the Commissioner must seek the advice of the Executive Committee and be bound by

that advice.

The reason: General terms of reference of the Executive Committee, formulated consequent to the directive of the Commissioner by the Minister in June, 1977, Item A(3) reads as follows: "The Executive Committee is to be consulted by the Commissioner in the exercise of his responsibilities and the advice of the Committee will be given full consideration in determining the course of action to be followed in any given situation."

The impact, Mr. Speaker, of this, leaves the Commissioner the option of following or not following the advice of the Executive Committee. The custom now established is the advice so obtained will be followed and should be formalized by change of the instruction to read as your Committee has herein recommended.

(b) Since the formation of the Executive Committee in 1970, by the Minister of the day, there is irrefutable evidence that the Committee has functioned effectively, with its members handling the affairs of Yukon with competence. Such management ability of the elected Executive Committee members should not go unrecognized.

Four: A copy of this report be forwarded to the Minister of Indian Affairs and Northern Development, the Honourable Warren Allmand and to the Commissioner of the Yukon Territory, Dr. Art Pearson.

Mr. Speaker: Are there any further Reports of Committees?

The Honourable Member from Klondike?

Mr. Berger: Yes, Mr. Speaker, on a point of privilege I would like to draw the attention of all the Members in this House to the very distinguished guest in the Members' Gallery, the Member of B.C. Legislation and current critic of Human Affairs for the NDP Party and representing Vancouver-Burrard, the Honourable Member of the B.C. Legislature, Rosemary Brown.

(Applause)

Mr. Speaker: Is there any Introduction of Bills at this time?

BILLS: INTRODUCTION AND FIRST READING

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

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that a Bill entitled "An Ordinance to Amend the Elections Ordinance" be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that a Bill entitled "An Ordinance to Amend the Elections Ordinance" be now introduced and read a first time.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Mr. Speaker: When shall the Bill be read for the second time?

Hon. Mr. McKinnon: At the next sitting of the Assembly, Mr. Speaker.

Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that a Bill entitled, "Second Appropriation Ordinance, 1977-78" be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that a Bill entitled "Second Appropriation Ordinance, 1977-78" be now introduced and read a first time.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

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

PRIVATE MEMBER'S PUBLIC BILL: INTRODUCTION AND FIRST READING

Mr. Hibberd: Mr. Speaker, I move, seconded by the Honourable Member from Pelly River, that a Private Member's Public Bill entitled, "An Ordinance Respecting the Legislative Assembly" be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse South Centre, seconded by the Honourable Member from Pelly River, that a Private Member's Public Bill entitled, "An Ordinance Respecting the Legislative Assembly" be now introduced and read a first time.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Mr. Speaker: Are there any further Bills for Introduction?

The Honourable Member from Whitehorse North

Centre?

Hon. Mr. McKinnon: Mr. Speaker, on a point of order, the Chair did not ask when the House would be prepared to read the Second Appropriation Ordinance a second time.

Mr. Speaker: That is correct. Perhaps the Chair has erred. When shall that Bill be read a second time?

Hon. Mr. McKinnon: Next sitting of the Assembly, Mr. Speaker.

Mr. Speaker: I thank the Honourable Member for bringing my attention to that error.

The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Mr. Speaker, on a point of order, the Chair did not recognize when the second reading should be given to Private Member's Public Bill.

Mr. Speaker: The Honourable Member is quite correct. When shall the Bill be read for the second time?

Mr. Hibberd: Next sitting day, Mr. Speaker.

Mr. Speaker: Thank you.

Are there any further Introduction of Bills?

Are there any Notices of Motion for the Production of Papers?

Notices of Motion or Resolution?

NOTICES OF MOTION

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I give Notice of Motion re concurrence of the first report of the Standing Committee on Constitutional Development.

Mr. Speaker: Are there further Notices of Motion or Resolution?

The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Mr. Speaker, I give Notice of Motion, seconded by the Honourable Member from Watson Lake, a resolution respecting the Electoral District Boundaries Commission Ordinance.

Mr. Speaker: Are there any further Notices of Motion?

The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Mr. Speaker, I give Notice of Motion, seconded by the Honourable Member from Ogilvie, respecting native involvement in the Yukon Government.

Mr. Speaker: As there are no further Notices of Motion or Resolution, are there any Statements by Ministers?

This brings us then to the Question Period.

QUESTION PERIOD

Mr. Speaker: Have you any questions?
The Honourable Member from Kluane?

Question re: Beaver Creek Post Office

Mrs. Watson: Yes, Mr. Speaker, I have a question this morning for the Commissioner and it's regarding the status of the Beaver Creek Post Office. I know that the Commissioner is aware that they've been without a Post Master since October of 1976 and I'm wondering whether he, as the Commissioner of the Yukon, can give me any report on what the possibilities are of these people getting, again getting a Post Master and proper postal services in that community?

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, the Honourable Member has raised a very difficult question for the administration. We have been working, not only through my office as Commissioner, but also as chairman of the Federal Inter-Departmental Coordinating Committee, since last Fall to try and rectify this situation. It's not an easy question. I have been trying to keep the Honourable Members informed as any progress is made, but I cannot really report at this time, positive progress to resolve the problem.

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

Question re: Annexation of Yukon to B.C.

Mr. Hibberd: Mr. Speaker, I have a question for the Leader of the NDP this morning. Several years ago, the Leader of the Province of British Columbia announced plans towards annexation of the Yukon Territory. I am wondering if the representation from the Legislature of B.C. is carrying on in those same lines?

Mr. Speaker: The Honourable Member from Klondike?

Mr. Berger: Yes, Mr. Speaker, I don't think so, Mr. Speaker, but I hope that something comes out with ICBC anyway.

Mr. Speaker: Are there any further questions this morning?

The Honourable Minister of Local Government?

Hon. Mr. McKinnon: Mr. Speaker, I would like to table a Legislative Return in answer to Mr. Fleming's question of April 13th concerning frontage rates for sewer maintenance.

Mr. Speaker: The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, a supplementary question to the Commissioner on my first question.

Mr. Commissioner: don't you think the time has come for my question - has not the time come where the Territorial Government may have to take some very

extreme and severe steps such as providing a postal building at Beaver Creek in order that they can have post office service?

Mr. Speaker: This question is directed to Mr. Commissioner?

Mrs. Watson: Yes, it is, Mr. Speaker.

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, not this morning.

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

Mrs. Watson: Mr. Speaker, a supplementary question. If not this morning, when?

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, I tried to answer the question that we are working through the proper channels with the Canadian Post Office on a matter totally under their jurisdiction, and we are doing our best and we will continue to do so. I can't answer the Honourable Member's question as to when we will take a unilateral decision to move on an issue like that.

Mr. Speaker: The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, a supplementary question. Negotiations are very lengthy, particularly with the Post Office Service of Canada. While these negotiations are going on, would it not be possible for the Territorial Government to provide a building, temporary basis, so that a Postmistress or a Postmaster can be hired?

Mr. Speaker: The Member is getting very borderline once again in her questions. I think I'll disallow that question.

Mrs. Watson: Mr. Speaker, on a point of order...

Mr. Speaker: Order, please.

Mrs. Watson: Mr. Speaker, I was asking a very legitimate question.

Mr. Speaker: Order, please. The Commissioner has stated he is not able to answer the first questions. Supplementary questions are normally not allowed in any event in standing rules. Order, please. If the Member perhaps is seeking a building, perhaps she could do so by getting direction of the House through Notices of Motion in the normal manner.

Mrs. Watson: Mr. Speaker, on a point of order, I am asking the Commissioner of Yukon a question. I am sure the man is prepared to answer my question. You wouldn't give him the opportunity to.

Mr. Speaker: Order, please.

The Honourable Member from Whitehorse River-

dale?

Mrs. Watson: On a point of order, Mr. Speaker, you did the same thing to me yesterday. You continually refused to let me ask questions, Mr. Speaker, and I think my democratic right is being taken away. It was a simple basic question that the Commissioner was quite prepared to answer.

Mr. Speaker: Order, please. I think if the Honourable Member will study her rules of the House in terms of questions and the Question Period, she will have her own questions answered.

The Honourable Member...

Mrs. Watson: Mr. Speaker...

Mr. Speaker: Order, please.

Mrs. Watson: On a point of order, I have reviewed the Rules of the House and I feel that I am very legitimate in my efforts to ask questions and have them answered.

Mr. Speaker: Order, please. I have made a ruling and I so rule that the Honourable Member kindly take her seat.

Mrs. Watson: No, Mr. Speaker, I'm afraid that I cannot take my seat.

Mr. Speaker: Order, please. Would the Honourable Member kindly take her seat?

Mrs. Watson: Mr. Speaker, I'm afraid I will not take my seat until such time ...

Mr. Speaker: Order, please, or I must name the Member. Would the Honourable Member kindly take her seat?

Mrs. Watson: Mr. Speaker, I refuse to take my seat. I think that ...

Mr. Speaker: I must then, accordingly, I have no choice -- order, please. Would the Member kindly take her seat?

Mrs. Watson: Mr. Speaker, I will not take my seat until I am given the opportunity to ask questions in this House without the indiscriminate rulings of Mr. Speaker.

Mr. Speaker: Sorry, but I find it necessary that I must name Mrs. Watson and ask her to withdraw from the Chambers for the balance of this sitting day.

Mrs. Watson: That's just fine, Mr. Speaker. Maybe we'll have the situation resolved.

Mr. Speaker: Are there any further questions?
The Honourable Member from Whitehorse North Centre?

Hon. Mr. McKinnon: May I rise on a point of order?

Mr. Speaker: Yes, sir.

Hon. Mr. McKinnon: Mr. Speaker, on a point of order, the care and maintenance of all buildings under the jurisdiction of the Yukon Territorial Government are now under the control of this elected Member, and I think the question should have been directed to me, and I would have stated to the Honourable Member that we would look into the situation and see whether there were such a building available for such a purpose in the Beaver Creek area.

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

Question re: Yukon's Representative on Historic Sites and Monuments Board of Canada

Mr. Lengerke: Yes, Mr. Speaker, a question for the Commissioner this morning, just one of curiosity. I understand that the recent amendments to the Canada Historic Sites and Monuments Act, via Bill C-13, has allowed representation from the Yukon and the NWT, and I'm wondering if the Commissioner can tell me this morning who is Yukon's representative on the Historic Sites and Monuments Board of Canada?

Mr. Speaker: Mr. Commissioner.

Mr. Commissioner: Mr. Speaker, I will get the information from the Executive Committee Member responsible and bring it back to this House.

Mr. Speaker: Are there any further questions?
We will then proceed under Orders of the Day to Public Bills.

PUBLIC BILLS

Madam Clerk: Third reading, Bill 14, Real Estate Agents' Licensing Ordinance.

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

Amendments to Bill 14 — First and Second Reading

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse Porter Creek, that the amendments to Bill 14 be now read and first and 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 the amendments to Bill 14 be now read a first and 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: When shall the Bill be read for a third time?

Bill Number 14 — Third Reading

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 14 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 14 be now read a third time.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

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

Hon. Mrs. Whyard: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 14 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse West, seconded by the Honourable Member from Whitehorse Porter Creek, that Bill Number 14 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Mr. Speaker: Bill Number 14 has passed this House. May I have your further pleasure? The Honourable Member from Pelly River?

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

Mr. Fleming: I second that.

Mr. Speaker: It has been moved by the Honourable Member from Pelly River, seconded by the Honourable Member from Hootalinqua, that Mr. Speaker do now leave the Chair and that the House move 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 shall declare the Motion as carried.

(Motion carried)

(Mr. Speaker leaves the Chair)

COMMITTEE OF THE WHOLE

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

(Recess)

Mr. Chairman: I call this Committee to order.

We have, as requested by the House, appearing with us this morning as witnesses, Mr. John Bruk, who is President of Cyprus Anvil Mining Corporation, and Mr. Peter Taggart, Assistant Resident Manager.

Perhaps I could read the resolution that brought about this attendance of the witnesses:

THAT WHEREAS it is apparent that questions with respect to the immediate future of the Cyprus Anvil operation at Faro are being asked and the need for clarification is essential,

BE IT RESOLVED that a telegram on behalf of this Assembly be sent forthwith to the President of the Cyprus Anvil Corporation requesting confirmation of the continued operation of the Cyprus Anvil Mine at Faro and to advise the people of Yukon of the specific duration that the mine operation will continue in Yukon on the basis of a reasonable mineral or metals market.

Mr. Bruk has expressed considerable concern that he does wish to use the opportunity to develop communication with the people of the Yukon, and particularly the Members of the Assembly.

Mr. Bruk, do you have some remarks you'd like to make?

Mr. Bruk: Yes, Mr. Chairman, thank you very much for this opportunity of meeting with you and your Members in this beautiful House of yours. This is the first time I've visited your House and it's very impressive and I'm happy to have with me, and you have already introduced, Mr. Peter Taggart, our Assistant Resident Manager, and also Barry Redfern, of our organization, is in the audience here with us today.

I-- before coming to Whitehorse yesterday, I checked with my office to see if each one of your Members have received a copy of our most recent Annual Report and I find that that was not done, so I have brought here copies of the Report and, with your permission, I would ask that someone please distribute them.

Mr. Chairman: Thank you, Mr. Bruk.

Mr. Bruk: I think this is a first-rate opportunity for me to meet with you and to tell you and for you to tell to your constituents, something about Cyprus Anvil.

To start with, I would like to dispell once and for all any concern which you may have with respect to our continuing with the operations.

I have never discussed or considered the shutting down of our operations, and as it will be developed in my short presentation to you here today, the shutting down of our operations would be neither in our interest nor is it one of our objectives. So let me assure you there'll be no shutting down of our mine. Let me assure you that communication to me means a lot and every time I come to visit our mine I either stop and pay a courtesy call on your Commissioner, and I've had a first-rate relationship with your previous Commissioner, Jimmy Smith — a great Yukoner; I today have a like relationship with Dr. Pearson and hope that that relationship will continue.

I'm not here to play games. I'm here to help you and to ask for your help to build a better Yukon together.

Let me tell you something about our company. This company of ours, which is called Cyprus Anvil today, has a very interesting history. It really started, as some of you will remember, as Dynasty Explorations. It was an idea of a great Canadian, and probably the greatest living explorer today, Dr. Aho, and we all ought to be very proud that he makes Yukon one of his homes. He was fortunate enough to come up with a first-rate idea for the exploration of an area which was then and still is reasonably removed. We went — I was then acting as his lawyer — we went almost to every Canadian company to look for funds to explore, but found that Canadians who have so many opportunities were less ready than the venturesome Americans to invest money. We had Cyprus Mines of Los Angeles who invested the funds and when the discovery became a reality and was put into production, it was put into production as a private company called Anvil Mining Corporation, which was controlled and in which Cyprus had a majority interest, and the management control, and in which Dynasty was a junior partner.

Well, as the history developed, we, on the Dynasty side, recognized that, for Anvil to continue to operate in Canada, it had to take upon itself a more of a Canadian identity and we, at Dynasty, approached Cyprus Mines to sell to Dynasty the majority interest which it had in Anvil. Of course, they refused, but then we came up with a second idea. Why don't we merge the two companies? Which we did, and today the company which we call Cyprus Anvil is a merged company; it is a public company; it is publicly created and today Canadians, as a result of this action, can take a direct participation in our company.

Now this, to me, was a responsible and a responsive action on the part of Dynasty to respond to the Canadian reality. At that time, the management was all in Los Angeles. Today, the management of this company is here in Vancouver and in Whitehorse — I am sorry, in Faro. What we have done is that the management — we have now all Canadians, although some have an accent like myself, but we are Canadians and we are concerned with this country, and our actions, as you will see, are actions of concerned Canadian citizens.

Now, I will see to it that in future you will get our Annual Reports, but if you were to look at our three Annual Reports which we have and if you are interested I will send you the copies of the previous ones — in the first Annual Report, and, if I may, Mr. Chairman, I will just quote from it, which was issued immediately after the amalgamation, and by the way, it is tomorrow, two years since this company was formed so we are a relatively young company.

In that Annual Report which was the first Annual Report, I said two things that will be of interest to you.

Although the physical environment of Yukon, where the mining operations are located, is harsh, Cyprus Anvil enjoys one of the best economic and political environments anywhere.

And secondly, I've said, Cyprus Anvil is aware of its responsibilities as a corporate citizen to its shareholders, its employees and the community in which it operates. And with the help of all those involved, it is hoped that Cyprus Anvil will meet both of these responsibilities.

This was our first Annual Report issued soon after the amalgamation two years ago. This is still, today our goal and our objective. What do we do, you may ask, to discharge these obligations to our shareholders, to our employees and to the community within which we operate?

To start with, for the shareholders, we wish to protect their assets and this we do by continuing investment and maintenance. This current year we are spending 14.5 million dollars on expansion. The expansion is not to mine more, but to be more efficient, anticipating the more difficult problem with mining.

Secondly, we wish to provide a fair return on investment to our shareholders. And when I said fair, I meant fair. Our dividend yields our shareholders a little over six per cent, which you must agree is not exorbitant, but we are more concerned with the stability than we are concerned with the size of dividend. This is once again why our attention is directed to a stable and enduring operation which must also be of interest to you.

Secondly, we discharge our obligations to our employees by wanting to improve our labour relations with our employees. As you know, we have recently hired a very competent person, that is, by the name of Mr. Lister, who is now a resident in Faro and who is recognized as a man competent to deal with the problems.

I studied a lot about labour relations, because it is a problem not facing Cyprus Anvil alone, it's a problem facing the entire country. It's a problem that sooner or later we must resolve. I believe it can only be resolved if people like yourselves, your constituents, management and labour, recognize the need and find the ways of resolving it.

Now, how do we go about this? I suggest, at least in our case, we go about it by studying about these problems, and secondly we go about it by seeing how other people who are successful in this endeavour are doing it. Here I'm referring to what's being done in Germany and what's being done in places like Japan, where they can hardly believe the kind of labour strikes that exist in Canada, especially in Western Canada.

I have suggested to our union executives, and we will form up and jointly visit one of such places — not to copy it, but to see how others have dealt with a like problem. I don't believe that the German or Japanese solution is

right for Canada, but I believe that, by studying others, we may find indeed the right Canadian solution.

We also wish to discharge our obligations to our employees by providing for their safety, and I must say that the safety record of this company, especially in the last year, has been outstanding. We have first place in Western Canada in one category and second place in the other category which judges our safety and it is said that Cyprus Anvil is one of the safest mines in Canada.

This is not to say that a management has to be given credit for this alone. This is one of the things that we take pride in, where management and labour have joined together to achieve something worthwhile for the benefit of all. If we can continue to engage each other to achieve things like this, I'm confident that this problem, which has been besetting us, will be resolved.

Now, what about the community? How do we respond to this community and how do we intend to respond to this community in the future? To start with, we are not a company with many operations; our only operation is at Faro, and a small one at Carmacks. We have invested lots of money there, and so has the Government. When I became the President of this company, I had a meeting with the then Minister of Indian and Northern Affairs, Judd Buchanan, and he said to me, the concern which he had was that Cyprus Anvil will make money and there's going to be a ghost town eventually there, and the Government will not have time to repay its investment.

I understood his concern, and I responded very positively to that concern. The bulk of our exploration activity is directed to that area, and I can assure you that all of us have confidence that the operations at Faro will continue beyond the eleven years that we know that we have now under the prevailing conditions of the ore and the market.

If you read our Report, you will see that, originally, I said thirteen years but two years have passed by and now we have eleven years. But we have great confidence that beyond eleven years there will be more ore within the area of the immediate influence of Faro, so that the same townsite, the same infra-structure, can be continued to be utilized.

So, we respond to our responsibility to the community by directing our exploration effort there. Also, at my initiative, we have started a more intense exploration effort at Carmacks for a number of reasons. The energy costs are skyrocketing. First of all, we are using some of that coal for our energy needs to dry our concentrates. Secondly, there are some new mines that may be brought into production that may require coal for light purposes, so we want to find out if there is more coal in the area to mine for their need.

Thirdly, we recognize that all of us are paying more for electricity and we anticipate it and I must say that, if you look at what we've done over the past year, you will see that we have rightly anticipated things. We anticipated that coal will become important and, if you listen to your television in the past few days, you will have noted that Mr. Carter is now suggesting a two-third increase in the use of coal for energy. So we anticipated this and decided that it's good for the Yukon and it's good for us to know if there is a substantial reserve of coal there to be eventually mined to provide power for more than just Cyprus Anvil.

Lastly, and very importantly, we wanted to find some good coal in that area for small export to generate addi-

tional tonnage, to stimulate better transportation and expansion of the railway, which again must be of interest to all of us. So what we are doing, we are trying to see how, with our involvement, we can benefit the community and benefit ourselves. So, I see this philosophy continuing and I see this philosophy becoming understood and accepted by you. I do not expect you -- that today you say 'Mr. Bruk spoke to us and that must be the Bible'. I'd only like to see that you give us an opportunity before you judge us to see whether we live up to our expectations, and I can assure you that we will.

Another way of responding to communities is to listen to what's needed in the community. When I became the President, I went to Faro and listened to what people wanted. I found out that there was a great desire for a hockey arena and that was a terrific example, for, together with your government, we worked together I engaged not Cyprus Anvil to do it but engaged the Community of Faro to do it and I must say that that was a first-rate example of where the community and the government and the business can work together for the benefit of all. I must give public commendation to one of your Members, Mr. McKinnon, and I met with him the first time and I believe on that part of business was the only time. I was sure we were going to have the arena. I knew he wanted it. He knew we wanted it and we both knew that the town wanted it. And I think this is the way that we will, as we get on together, learn to know each other and, I hope, respect each other.

Now, what, in addition, are we and have we done in this community and can be expected to do more? You must all agree that much activity has taken place in this part of Canada since the discovery of Anvil. We today employ 504 people there and the multiplier effect is 7 nationally and, I understand, 4 regionally. This means that, for each employee at Faro, there are three additional employees somewhere else in the Yukon and six more somewhere else in Canada. Then you multiply this by the number of members of families and you see the fairly substantial contribution by this one operation.

I find recently in the paper that the Canadian family income, the average in Canada that is, totals \$14,832.00 in 1974. I find that as a result of a survey done by EPEC Engineering for the Town of Faro the average family income is \$18,000.00 to \$19,000.00. This does not take into account the benefits such as housing. So, Faro does provide a substantial and good income for our people.

We are not happy that the town is still considered as a transient place, as a place to go and live for a while. But we recognize the problem because people can only see ten, eleven or twelve years of operation. While we are working hard to create a more permanent place there, we would like our employees to own their homes, but we would like people to come and live and work because they want to make Faro their home town. I believe that, with a bit of luck and persistence, that also will be realized.

I don't want to be known as the President of a company that left a ghost town. I don't think that that's the right way of doing things. I don't believe that Canada can afford ghost towns and many people don't have a place to live.

I think we have to plan our future in such a way as to utilize the assets which we have. That again is one of the directives and directions in which we are moving. You know, what we have done, when we really reflect, what

have done in Dynasty and Cyprus Anvil, we have wanted more self-government for the group that compiles us. It's not unlike what you are trying to do for yourself. You want more self-government in this part of the world, and I applaud your desires. I think the world is moving to a greater regional autonomy. We have educated people and those people today want to have a say and that will come, but we have to have patience. Changing things is not easy. Believe me, the last two years, which have been the years of change for us, have proven to me that to change things isn't all that easy. However, if we are making the change because we anticipate what is going to happen, we will succeed.

The mining industry, rather than excusing themselves, ought to be proud of what they are doing. Mining in the Yukon, to me, is like farming is to the prairies, like export industries are to Japan, like the watch industry is to Switzerland. You've got to have the understanding that, in a place like Yukon and Western British Columbia, you cannot expect to have great farms, you cannot expect to have great secondary industry. You have to recognize what is the indigenous industry of the country, and the industry and the country ought to understand each other. It would be inconceivable to me that the Government or the people in Switzerland would be against the watch industry, as it would be inconceivable to me that they would be against the export industries of Japan, and it's equally inconceivable to me when mining industry is not understood.

If you wish more development in this place, it's going to be primarily mining, and mining has a great potential in this place. Your Territory is well located. It's very strategically located for the Pacific which is a very promising and great area, where you have the United States, Canada, Japan, China; those are huge markets. They will be developed. You may see in China the same what happened in Japan eventually. It's going to be a terrific development, and so you are here, very strategically located, and if you wish you can take advantage of that. You can take advantage by continuing with the kind of economic and political climate that you have, by better understanding the mining and by providing assistance in transportation and power which are essential for such industries.

Now, in transportation, I think you have a real fine company here, which is White Pass & Yukon Route, which have been here for a long time, and it's not an easy area to operate in but they have been operating successfully for a long time. The transportation has to be made less costly, as the resources are less rich, or else they will not be competitive.

The electricity — we have to find ways of providing cheaper power to stimulate the growth. I think that, if you continue to have the good climate to encourage mining, you will have people like ourselves who will spend the bulk of their funds here in the Yukon as we do in our exploration activities.

In addition to spending our own funds, I go around and try to interest others to come and spend money here so as to provide greater opportunities here. But again, unless you want people to come and do these things, it's very difficult to sell the ideas of new venture, but I've been successful in the last two years in selling these ideas both in Japan and in Germany.

is talk about these two countries just for a minute. I recently visited both and also the United States

and I must say that I was impressed with what they have accomplished. I was also impressed with what kind of relationship we have with them. I can tell you that Cyprus Anvil has a first-rate relationship in Japan and in Germany. Eighty per cent of our export is to Japan and the rest is primarily to Germany, but there is a growing demand for our product also elsewhere in the United States and we hope eventually in Canada.

It's nice to see the big companies, who have been around for a long time, think well of us and are pleased to join in exploration activities to find new ore bodies. We will continue to encourage them to return to the Yukon as long as Yukon continues to encourage us to invite people to the Yukon to explore and develop.

I think here, in the Yukon, we have a microcosim. We have a small world where everything appears either more important or more beautiful or more troublesome. It's not unlike a microscope, you know, that something can look so beautiful but if you bring it under the microscope then you start to see the rough edges of these smooth lines. I would say that, if you are asking me how do I view our operations, I would say I view them optimistically; I view them with great satisfaction and confidence. That doesn't mean that there are not things that are wrong and have got to be improved, and they will be improved; we have the determination, we have the know-how and, with the assistance of all those involved, whom I have mentioned before, we will succeed.

I think you have a great future here and I always love to come and visit here with you. I think you have, what I said once before, the opportunity of making everyone's dream come true, provided the dreaming is not to dominate other people. And in that kind of world, I'd like to extend my congratulations to you on what you have done to date, and I would like to have opportunities to continue this kind of communications with you and I'd just like to be here.

Thank you.

Mr. Chairman: Thank you, Mr. Bruk.
Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, in the earlier remarks of the witness, he stated that last year's Report said that there was a 15-year lifespan left in the Cyprus Anvil Mine and, subsequently, this year it's down to eleven. I think this is what the witness said. I was just wondering what the reason is for that difference in timeframe.

Mr. Bruk: I'm sorry, Mr. Chairman; who said fifteen years?

Hon. Mr. Lang: I thought the witness had said fifteen years. I'm sorry if I...

Mr. Bruk: In my Annual Report of 1975, and, if I may, I'll read from it: "We plan, therefore, to continue with the substantial and methodical district exploration program to find additional ore and thus to utilize our processing facilities long after the Faro ore bodies have been mined out. Although the ore reserves are estimated to last approximately twelve years..." That was last year, and I said this year eleven. I'm sorry if I mislead you.

Hon. Mr. Lang: My mistake, Mr. Chairman, I misheard him.

Mr. Chairman: Mr. Bruk, you mentioned further exploration and possible expansion of your mining activities. Would this be dependent of finding greater sources of hydro power development?

Mr. Bruk: I'm not an expert on power, but the trend appears to be to more coal for power in the world and, depending on what the exploration efforts by us and other companies will indicate, there may be potential for generating power in the Yukon by use of coal. It may be that in the not-too-distant future there is going to be a break-through in liquification and gasification of coal; it should be yet another way of generating power.

Everybody of course knows of the great potential for hydro power in the Yukon, but I don't know enough to comment on that.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Mr. Chairman, I don't know if you've got an answer to your question or not on that one. I think what the Chairman was asking here, you mentioned that you're doing further exploration around the Anvil area, or the Faro area, and certainly there are other ore bodies than can conceivably be brought into production, but is that contingent on the fact that we would have to develop more hydro power to do that or can you, in fact, bring in some of those other ore bodies into production without further power development taking place, other than maybe your own at your own site?

Mr. Bruk: Well, as far as our exploration activities in that area, I hope that they are going to be as successful as your question would anticipate, and we would be working hard to find the right source of power.

I don't know if we were, say five years from now, in a position to start a new operation there, what by that time would be the best source of power. We have not ourselves done a study of the hydro potential and what it would entail and cost to really intelligently answer that question. I would rather say that at this stage, just like looking for new ore bodies, I like to be looking for sources of power, and then when we find them, we will have to discuss and find out which will be the best way to generate power.

I'm sorry I cannot be more helpful on your question.

Mr. Chairman: Mr. Taylor?

Hon. Mr. Taylor: Yes, Mr. Chairman, I'd like to say at the outset how pleased I am to see Mr. Bruk and listened with great interest today to the comments he made with respect of the development of the Cyprus Anvil Mine, and there was a time in its formative years, and its beginning when I had the honour of representing the area. I'm so pleased to be assured today that the operations and the continuing development of Cyprus Anvil will continue along the lines that they appear to be taking.

I did have a question, Mr. Chairman, of Mr. Bruk. That relates to the development of a smelter perhaps in association with the development of the joint ore bodies, Cyprus Anvil being the principal at the moment, would

Mr. Bruk see anything in the future or along the line smelter development along with perhaps the development of power? Does he have any comment to make with this regard?

Mr. Bruk: Well, to start with, thank you for your kind comments. As far as smelter development is concerned, let me say at this stage, I visited a number of plants in Germany and in Japan and it would be nice to have more processing facilities in Canada. That's been always my feeling. However, the timing and economics have to be right. There is the question again of power. Power is, the cost of power is very important when it comes to further processing of metals, and unless you can get very inexpensive power, comparatively speaking, you may not be competitive, notwithstanding everything else.

Secondly, the question of transportation is important. It's more expensive to transport metal than to transport concentrates, and unless you have a great demand for your metal in the very area where you are, you might find that the cost is very, very expensive. Now something I didn't know before, and I found out this time in Germany when I visited Ruhr area, is that especially in zinc processing, you have to have so many different qualities of zinc with different alloys et cetera, that unless a great demand is right there, you will go absolutely crazy with the kind of inventory that you have to carry. So the processing is not as attractive as all that unless all the other conditions are met. In lead probably, it's a little less difficult. But believe me, that's another one of our obligations to the federal government, a study from time to time, the feasibility of smelting the Yukon. This is something we are doing all the time. We are interested in enlarging our activities. We are, as you can see, a young company, and we have lots of energy and we'd like to do more than what we are doing now, and I would like to be at the opening of a smelter, but it has to make sense to everybody, to the community, the question of standards for pollution. There are so many things that we have to discuss amongst ourselves; see what are the priorities that we will have; are we going to place too much emphasis on factor or the other?

But one thing I can tell you for sure, we are continuing to study the feasibility, not year by year, but almost month by month. We are keeping on top of our obligations and right now it does not appear to be feasible.

Mr. Chairman: While on the subject, Mr. Bruk, of future expansion development, perhaps a tough one for you to answer, what do you envisage as to the development of the transportation industry in association with the mining in Yukon?

Mr. Bruk: Well, it would be nice to have the railway extended. I think the extension of the railway, if that is your question, Mr. Chairman, would go a long way to help everybody concerned in decreasing the costs of transportation which, comparatively speaking, are prohibitive, if you are talking of the cost per mile here as opposed to British Columbia. I would suggest that the extension of the railway would be one of the right things to do. This is why -- am I answering your question?

Mr. Chairman: Yes.

Mr. Bruk: This is why we were interested in Carmacks, because Carmacks could provide some additional tonnage to stimulate and encourage this expansion.

And of course, if granite is developed, that would be additional tonnage, so we are, we are doing the right thing if we are thinking along those lines.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I appreciate the President of Cyprus Anvil taking time to come today and talk to us. There are two or three little things I'd like to ask him if we have time.

I think I understood him to say that they were looking at development of additional coal deposits in the Carmacks area, with the thought in mind of possibly exporting and I was wondering if Mr. Bruk could tell us whether or not any of this would be made available to people in the Yukon.

Mr. Bruk: Of course.

Hon. Mrs. Whyard: As a market, or whether it's feasible.

Mr. Bruk: Of course, our number one objective in that exploration is to provide coal for our needs and the needs of other mining companies like ourselves that might just like coal for drying their concentrates. You will recall that that was my number one priority earlier.

My number two priority would be to provide more coal, if it could generate energy at competitive rates in Yukon so it would be for the Yukon's use. If you anticipate that coal may be used in the Yukon for something else, by all means my answer would be an unequivocal yes.

The only reason why we considered export of coal from that area would be to provide the necessary additional stimulus for the expansion of the railway which would require more tonnage. It isn't that our idea was to export coal as such and your question is well directed. We have to know, do we have enough to coal for ourselves before we start exporting it and especially as coal is becoming more important, we've got to be that much more careful. And this is where you have to bow to the conveniences. Are you going to have a railway that hasn't got enough load factor, or are you going to help that by exporting part of your resources?

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I know that we can't expect the President to look into his crystal ball and divulge information to us today, but as he realizes probably far better than we do, there are a number of projects hanging fire waiting for some kind of a decision on additional developments in the Anvil area and in the area of health services, the situation at the moment is that there are people asking for extensions to health care facilities, which must be justified by some kind of assurance of increased population.

I understand that at a meeting last night in Faro of the Board of Health with the federal health officials, they actually reached the crunch on this kind of decision.

do you add to a nursing station? How many people

do you have to have to justify the additional footage and a second doctor? And I wonder if it's a fair question, Mr. Chairman, to ask if there can be any indication at all from the President, regarding that kind of timing?

Mr. Chairman: Mr. Bruk?

Mr. Bruk: That question again is -- I'd like to answer that question. I wish I could answer that fully, but as you know, the control of the ground deposit is not within our company, it's managed by Kerr-Addison and they are presently completing their feasibility. How long it will take to complete it, I don't know. I'm not privy to that. But it's a large ore body and eventually I hope it will be brought into production. How soon is very difficult to say, because I don't know what are the economics of that ore body, but from the longer term point of view, the demand for that kind of ore is going to be great. It's not now. You know, in Japan and Germany, the steel industry is working at only 70 per cent capacity and the steel industry is the main user of zinc, so right now, the demand is sluggish and so it is for coal, but from the longer point of view, it's good and so you should see development taking place in that area, I would think so.

Now, on the point of view of the other side of the question, that's the same concern we have. We'd like to see more facilities provided there and to provide that and for more stability to the community, you need more people. And so we are really hoping that that development will take place soon because -- another development in the area would greatly stabilize the area, would add confidence to the people, they want to live there, they want to build for the future and that, we really are looking for.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, this is one of those out-in-orbit questions but the President might enjoy taking a stab at it. As he well knows, one of our problems here is that we are denied any revenue from our own resources, which the federal government takes on the basis that the resources of the North belong to all the people of Canada, which would not be swallowed in any province that I know of. It would be interesting to us to know, I think, Mr. Chairman, if there is any way to arrive at a figure, a nice round ball park figure of how much resource revenue we might expect to receive in this government's coffers from an operation such as Cyprus Anvil if we were a province?

I don't expect that we can get that information at this very moment, but I would certainly look forward to receiving it if the company can come up with such a figure.

Mr. Bruk: Well, to fully answer your question, you are right, it would take some time and it would take deciding on which one of the provinces you're taking. Each one of the provinces has basically a different approach to it. This, believe me, is one of the great tragedies of Canada. I like diversity, but I think it would be good if we had a more uniform policy. I think in the involvement of your government, and I really shouldn't probably even venture to say these things, but I think it's good to see the problems that exist in the other parts of Canada now between the federal and provincial gov-

ernments to avoid those problems.

Certainly the question of taxation of resources, we are in great confusion today, that discourages substantial companies from doing work. Look upon it if you wish as a Canadian, and look at a situation of the coal deposits that the people are talking of developing in British Columbia and Alberta. A completely different set of rules apply to all property depending on where it is located from the other. The same company is involved, the same export market involved, and when you talk to the Japanese about it, they just can't understand that in Canada there could be such diversity between the two adjoining provinces with so many similarities as B.C. and Alberta.

So, I think it would be wise for you to develop some kind of a system that doesn't lead you into these same pitfalls that the rest of Canada has fallen into. It will take a great many, much effort to correct. I can follow up with your question and discuss it with you.

Hon. Mrs. Whyard: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, in reference to remarks earlier made by Mr. Bruk, I'd like some clarification. He mentioned that there is a 14.5 million dollar expansion going on in Anvil. I gathered it was at the mill. Is this going to increase the productivity on a daily basis, or is it strictly just for mining purposes?

Mr. Bruk: It is strictly for the mining purposes and it is not in the mill. It will not increase the production capacity or the rate of exhaustion of the ore body at all. It is necessitated by the fact that you have to strip more to get to the ore body, and also because of improving the equipment.

It does not affect the rate of production which is determined by the size of the mill. There was a little misunderstanding as I read between the lines on the news et cetera, on that score, but we can assure you that that's not the case.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I don't know if this is a fair question or not, but there was a fair amount of doubt about the future of Cyprus Anvil here approximately six weeks ago, and there were various parties involved with Cyprus Anvil that were questioning what the future of the Yukon -- the future of Cyprus Anvil was.

It was my understanding that various contracts and this kind of thing were coming into question, I'm not talking strictly labour either, what has happened in the last six weeks for Cyprus Anvil to come out and be as optimistic as they are now? I don't know --

Mr. Bruk: Well, I was always optimistic. If people were concerned as to whether or not we would continue the operations, I like people to come out and ask the question specifically what it is. I doubt the question of the ore reserves before I dealt with how we viewed the markets before, and we are optimistic because we have a good operation. We have good ore body, we have fine people, and that probably is the best resource we have, so I am optimistic about it, Mr. Lang. There are prob-

lems as I said earlier, but those are not the problems that go to the essence of our operation, and I'm sure those problems, as they are identified by ourselves, by others, will be corrected.

I don't see the need for you in the Yukon, or your constituents to be concerned as to whether we can or cannot continue with the operations. This is a serious business, and I am sitting here and very seriously addressing you on a very serious matter and I wouldn't be kidding with you. If there was any problem at any time, I've said it before, and I say it again publicly, I will talk to the Commissioner, I will talk to the Union, I will talk to you through the Commissioner or directly, there will be ways of doing it. We are not playing games here. You cannot expect us to be operating a mine like we operate and have some problem over handling it and not know about it, enough for us to respond positively. I can assure you that that is not our policy, to be hiding things.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Thank you, Mr. Chairman. As mover of the motion, Mr. Chairman, Mr. Bruk, I can just say to you at this time that it certainly is a lot better having you here than getting a telegram back in response, believe me. You know, this is much nicer. I want you to know, and I'm sure as Members around here will agree, that we are on the receiving end of a lot of comments and we're given many concerns, rightfully or wrongfully, and we all recognize, I'm sure, that Cyprus Anvil is a good corporate citizen. I don't think there's any question with respect to that. There might be a few questions asked, I guess, by a minority. I don't know.

We're asking, and I'd like to follow up a little bit of a Member from Porter Creek. We hear the problems you've got, problems with the expansion facilities. We don't know if this is true or not. We hear that you have problems filling your manpower requirements. We don't know if this is true or not. These are things that have been put forth to us, saying that these are reasons why Cyprus Anvil may have problems to continue. We hear that you've got problems with Japan and your ore, the grade of the ore, that these things are questionable. We don't know if that's true or not. We certainly hear again, your responses and the company's responses and we are quite confident that what you are telling us is factual.

But this is why you did get a reaction from an Assembly such as ours, because we are concerned, and believe you me, we are very pleased that you did come in person and that you did give us your assurance and that's really all you can do, I'm sure, because you don't have an investment like you people represent in a Territory such as ours, and just play games.

Mr. Bruk: Exactly, if I may comment and accept your comment as a question, we don't have many operations, you know, this is very important and the only operation that we have and so we like to make it the best it can be. We do have problems hiring the people and the cost of advertising is staggering. I have here a note that might be of interest to you -- I don't have it, but I will supply it to you, to show you in the case of mill repairmen how many advertising -- how much advertising was done to how many periodicals and at what cost and this is just for one group of people. And it's not the

I'd really like to follow up on that question because it's of great interest to all of us in Canada to see how, really, you have to advertise to find the people, but our policy on hiring is very simple. Yukon comes first. Vancouver and Edmonton come second, and not in preference to Vancouver or Edmonton. And then from there, on we move. We are a western company. Our activities are in the Yukon, a little in B.C. and in Alberta and we don't intend to expand beyond these frontiers, so this is where we give preference, but after that we move across Canada and we give preferences in Canada and we advertise throughout Canada.

Well, you know, you can blame the manpower, but also -- the easiest thing is to blame things but the cost of advertising in Canada -- we are spread all over the place and it's not that easy to reach everybody and not everybody wants to be reached. You face it, I was in Germany and they had one million unemployed. In 79 million people, they had one million unemployed. We have one million unemployed in Canada and, you know, the interesting anomaly in Germany, they tell me, they still cannot find people who are unemployed that will apply for simple jobs. We have created well-to-do societies in the western world and we also have to pay for that cost by providing for some of our people who are no longer encouraged to work. And, you know, that's a fact of life.

Now, as to the quality of ore that we ship, first of all, I'm sorry to correct you because you might have been misled. We don't ship ore, we ship concentrates, and the quality, I'm not -- my background is as a lawyer, I'm not a metallurgist, but I, in discussions with people around the world, I find that our lead concentrates are one of the best and most sought after in the world. So, it's news to me that we don't have good ore to sell. I wish we had more of it. We might not be able to sell it all at once, but eventually we would.

There was a third point to your question -- it was the export? Yes, I think that the facilities, it's like a human body and after a while you get tired; you've got to take a little holiday and I think probably our mill probably was a little tired; it needed a little repair and maintenance, and that is being attended to. You know, we no longer have a mill that's one year old. Those mills and other equipment get tired after six years turning around and so they do need a little repair and that is being attended to. We are cognizant that our operation is not a perfect one, but we are improving it to the extent that we can.

Mr. Chairman: Mr. Berger?

Mr. Berger: Thank you, Mr. Chairman. The witness is telling us here, Mr. Chairman, that two years ago he formed a new company; they decided to split Cyprus from a Canadian company called Cyprus Anvil. And, just glancing through the directorship, I believe most of them to be Canadians. But I was wondering if the witness could possibly tell us who are the major shareholders of this Canadian company.

Mr. Bruk: The major shareholder of this company is still the United States company, Cyprus Mines. That's true.

I have not claimed in my outline before, Mr. Berger, that that was not the case. I said that in our -- the way that we have approached the situation by increasing the Canadian content in management. As you well noted

under the director side, we have ten directors and, of the ten directors, seven are Canadians and three are Americans. So, notwithstanding the -- notwithstanding the holdings of the majority stock by the Americans, we Canadians control the Board of Directors.

It is also our policy and we are trying to decrease the American ownership in our company through expansion and otherwise and we are looking for opportunities to do so. So, I feel that, from that point of view, we are really responding to the Canadian reality.

Mr. Chairman: Mr. Berger.

Mr. Berger: Mr. Chairman, excuse the time, but I've only got two more questions here actually.

Mr. Bruk was also telling us of a thirteen-year time period of life expectancy of the mine from two years ago and I believe he's telling us eleven more years, but I, as a Yukoner, and being here when the Anvil Mining Corporation was formed, I think I recall at that time the life expectancy of the mine was fifteen years and I believe that was 1968 and I think there was some sort of an agreement made with the Federal Government and signed by the, at that time, Minister of Northern Affairs, Mr. Chretien, and I was wondering how those two figures are going to compare now. Fifteen years in 1968, thirteen years in 1975?

Mr. Bruk: Mr. Berger, I will follow up on your question with greater detail, because I don't have all the information now, here, but that can be easily answered because of the proven ore reserves at that time, how much was extracted. I was not then in charge of the company, and I don't know if anybody at any time stated that there was fifteen years life expectancy.

The only way that I could explain that question of yours would be a mining plan where an ore body can have a fifteen year life and then the mining plan changes to extract more out of that ore body.

You see, when you have an open pit operation, you have mining plans so as to best extract that ore body. Those plans change. Our current plan if I remember correctly is less than ten years. That does not mean that during that time we're not going to draw up a different mining plan to extract more ore which is to be found in the deposit so as to then add more life to that, so there could be a confusion between a mining plan and a life expectancy, but I'm glad you asked that question and if you have any concern about it I will follow up directly with you and if you still have any concern, please let me know.

Mr. Chairman: Mr. Berger?

Mr. Berger: Thank you, Mr. Chairman. Just to get away from this, the Cyprus Anvil Mining Corporation was quite voiceful in support of the Union, I believe last summer and last fall, in the fight against AIB decision on their contract. I was wondering if Cyprus Anvil is still as voiceful as at that time, to fight against AIB to this date?

Mr. Bruk: Our position and attitude has not changed, Mr. Berger. Our attitude continues to be one and the same: we will, together with the employees, with the Unions, we will together try to get the best

possible arrangement for our employees by whatever presentations need be made. Right now, it is the Union that is carrying the ball.

We have an agreement with the Union not to divulge information publicly without each other, and if you would like us to follow up on that, we could ask the permission of the Union, and together with the Union meet and tell you exactly where we stand on that. I wouldn't like to break the agreement with the Union where we said that no comments will publicly be made on this matter without both sides approving this statement. So, I would be pleased to meet with the Union and discuss your request.

As a matter of fact, I think -- as I say again, it's easy to criticize. We find that in our negotiations to resume work, we had great understanding from some Union people, and we said so in our Annual Report, which I hope you will read, and it reads in my Report: "We appreciate the substantial contribution of the International Steelworkers Union during the long negotiations for the resumption of work."

Are you satisfied with my answer? Thank you.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I know that we've exhausted the time allowed; I just wanted to ask one quick question and that was in reference to the lack of certain skilled tradesmen available for employment in the North. Is there any possibility of providing such training through the Yukon Vocational and Technical Training Centre? Should we be looking at that? Has there been a request to provide it?

Mr. Bruk: Just because I am the President, I must answer all the questions? I would like to see Mr. Taggart answer that question. I'm sure you're going to get a better answer. Can I have your permission, Mr. Chairman?

Mr. Chairman: By all means.

Mr. Taggart: We have a very good liaison and rapport with the Vocational Training people, and we do take employees from the Vocational Training Institute. We have had success in this area. However, we are also very interested in expanding our own training facilities on site, in Faro. This is being done now. We have actively been pursuing this program for the last year and a half, and the management of the company, along with the Union, hand-in-hand, are developing a training program and even at this stage are very proud of the program that we have. It compares very favourably indeed with similar programs in other operations in B.C. and the Yukon, and we intend to further expand this training program.

Mr. Chairman: Thank you very much, Mr. Bruk, Mr. Taggart, for coming here today. It's been most enlightening and we are in your debt. I think we look forward to a continuing dialogue with your company and with the mining industry in general. Thank you very much.

Mr. Bruk: Well, if I may, in closing -- I really enjoyed this opportunity, and today I visited with Jim

Smith and he gave me a big flag of the Yukon because he noticed, when he visited my office in Vancouver I just had a little flag of the Yukon on my desk, and he felt that I ought to have a big one and I accepted it with gratitude. In addition to the Yukon flag which I have on my desk, I have a Bible and a telephone. I can tell you that I believe in the Bible, I believe in the Yukon, and I believe in good communication, and I thank you very much.

Mr. Chairman: Thank you. Committee will recess till one-thirty.

(Recess)

Mr. Chairman: I now call Committee to order. We will continue with the consideration of the Credit Union Ordinance, Clause 52. Shall 52(1) carry?

Some Members: Clear.

Mr. Chairman: Fifty-three (1).
Mr. Lang?

Hon. Mr. Lang: I think there is a typing error in 53, Subsection 3, Credit Union; I believe it should say "maintaining" -- is that not correct, Mr. Chairman? Line 27.

Mr. Miller: That is correct.

Mr. Chairman: Shall 53 carry?

Some Members: Clear.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, could we just hear why it's eighteen months in the first case, in 53(3), and then annually thereafter?

Mr. Chairman: Mr. Miller?

Mr. Miller: I think, Mr. Chairman, it's probably just intended to give them an opportunity to make sure that there is an audit. It says, "within eighteen months" and it's normally after a twelve-month period that you would begin to do an audit, so they're giving them basically six months in which to do the first audit and after that it's a relatively simple audit process to do it annually.

Mr. Chairman: Clear?

Some Members: Clear.

Mr. Chairman: Section 54.
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, how does the Registrar or the Superintendent find out that the Credit Union has made an investment contrary to the Section?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, they would only do that if there was an inspection done and there are require-

ments for annual inspections by the Registrar. So if the Registrar is fulfilling his duties, he is making an annual inspection. If it comes to his attention that there is something contrary, he can order it to be corrected.

Hon. Mrs. Whyard: Well, Mr. Chairman, it could be a year later.

Mr. Miller: That's correct, it could be a year later, but there is still provision if it is found as to how to correct it.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: What measure is there to make sure that the Registrar does in fact do that inspection on an annual basis or when he's required to do something? You know, what is the offense if he doesn't?

Mr. Chairman: Mr. Miller.

Mr. Miller: Well, Mr. Chairman, in the normal course of events, if the Registrar doesn't do what the law says he shall do, then the Registrar and the Government are guilty of malfeasance or some such legal phrase which means that they become liable to a certain extent for the action that they did not carry out.

Mr. Chairman: Section 55.
Mr. Lengerke?

Mr. Lengerke: Just a question the Registrar and his inspections again. Who does the Registrar report to? You know, if he does carry out an investigation or report, who does he file that with? I think it's mentioned somewhere in here.

Mr. Chairman: Mr. Miller.

Mr. Spray: Mr. Chairman, the Registrar reports directly to the Commissioner, by Ordinance, in fact of course through the Executive Committee Member responsible for the Department.

Mr. Lengerke: So, Mr. Chairman ...

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Copies of the Registrar's report, with respect to Credit Unions, in the past would be on file with the Commissioner now?

Mr. Miller: Yes, Mr. Chairman, they should be on file.

Mr. Lengerke: Thank you.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, in 55(2), I wonder if the experts at the witness table could tell me who is not -- there's a whole list of people here that the Credit Union can sell, assign or transfer these things to. Who can't they transfer them to?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, it would be to anybody that isn't named. That's the intent of it.

Hon. Mrs. Whyard: Mr. Chairman, if we're going to argue, under Subsection (i), a person approved by the Registrar, or a person designated by the Commissioner, or all these other people. Who does that leave out?

Mr. Miller: Well, Mr. Chairman, what it's really saying is that they can transfer to, sell, assign or transfer to those items or those persons named in (d) to (h). To anyone else, they would have to get the Registrar's permission, or the Commissioner's permission.

Hon. Mrs. Whyard: I give up, Mr. Chairman.

Mr. Miller: Well, I think, if I can put it in plain simple terms, they can't sell, transfer or assign to an individual. They can only sell, transfer and assign to an associated corporation, a subsidiary corporation, another Credit Union.

Mr. Chairman: Committee will now recess briefly.

(Recess)

Mr. Chairman: I call this Committee to order.
We were dealing with Section 55.
Ms. Millard?

Ms. Millard: Mr. Chairman, I'm curious about the form of Section 2 where (a), (b), (c), (d), et cetera -- (a), (b), (c) seem to be related to each other and (d) following is related, but it just seems the form is strange to me because I read the top "or transfer" and then I read down to "(f) another Credit Union", and it didn't make sense. I'm just wondering if that's the proper form? I haven't seen anything organized quite like that before. Shouldn't there be a break between (c) and (d) to indicate you're on a different thought?

Mr. Chairman: Mr. Miller?

Mr. Miller: It's a typographical error. It should be -- line 30 should go back out to the common column and I think that would make it read properly. No, you carry on with (d), (e), (f), (g), but it's just that it should read: "to sell, assign, or transfer --

(a)

(b)

(c)... down to "...vendor" and then it starts again "and any security thereof only to" becomes part of another context. But you carry on with the lettering (d), (e), (f).

Mr. Chairman: Clause 55 clear?

Some Members: Clear.

Mr. Chairman: Clause 56. Clause 56 clear?

Some Members: Clear.

Mr. Chairman: Clause 57.
Mr. Fleming?

Mr. Fleming: In line 15, a "financial statement requiring to be sent", is that proper there? I don't quite get the drift of it.

Mr. Chairman: Mr. Miller?

Mr. Miller: Yes, Mr. Chairman, what that is saying is that the Directors shall approve, shall be delegated authority to approve a financial statement required to be sent to or placed before the members of the Credit Union, in essence.

Mr. Chairman: Is 57 clear?

Some Members: Clear.

Mr. Chairman: Clause 58. Clause 58, clear?

Some Members: Clear.

Mr. Chairman: Clause 59. Is it clear?

Some Members: Clear.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, on sub 3, I'm just wondering why we are worrying about what a director got paid prior to the passing of this Ordinance?

Mr. Chairman: Mr. Miller?

Mr. Miller: I think, Mr. Chairman, it's a protective clause. The old Ordinance didn't spell out this type of thing so all we're doing is making sure that if, as a result of an inspection, the Registrar found that they were making payments that were unreasonable, he could again do something about it. It's not likely to occur.

Mr. Chairman: Clause 59, clear?

Some Members: Clear.

Mr. Chairman: Clause 60. Is 60 clear?

Some Members: Clear.

Mr. Chairman: Clause 61. Is 61 clear? Is 61 clear?

Some Members: Clear.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: I'm afraid I need a little clarification on sub 4. "Does not apply to a loan, no portion of which not secured shares or deposits in the Credit Union would exceed an amount to be prescribed."

Mr. Legal Advisor: There's a typo in there, Mr. Chairman. I'm not sure what the correct version is. I think, Mr. Chairman, that, maybe the "or" in the middle line should be "if", but I'm not sure. We need to check it. There may be a whole line of type missing.

Mr. Chairman: Pardon.

Mr. Legal Advisor: There's a typographical error. I'm not sure what the error is, it may be a whole line of type or it may be a single word.

Hon. Mrs. Whyard: It apparently doesn't make sense, Mr. Chairman.

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, that reads correctly as it stands and it refers back to a previous subsection in a previous section under Loans to Officers and Directors, needs to be a prescribed amount, that's basically what will be prescribed, is the amount, the dollars.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I understand that. My question is with the wording which says that "...no portion would exceed an amount." I think what you mean, Mr. Chairman, is that it doesn't apply to a loan "any portion of which is not secured by..." et cetera. I think you have a double negative which destroys the sense of the section. I'm asking for advice on it, Mr. Chairman, that's all.

Mr. Miller: No, what it's saying is that this particular section does not apply to a loan of which no portion was secured by shares or deposits in the Credit Union. That's the intent of it.

Mr. Chairman: So what you are saying, Mr. Miller, you don't believe there is a typographical error there?

Mr. Miller: No, I think it stands as it is and it is going back that --

Hon. Mrs. Whyard: I don't understand it.

Mr. Miller: We are dealing with the director member of a committee or an employee having knowledge that the Credit Union is going to do something or has done something and a person who makes a profit on it and doesn't disclose it, this section will not apply to a loan of that nature if it was not secured by shares or deposits in the Credit Union.

Dealing with the prescribed amount is the amount back in 46 --

Mr. Legal Advisor: If "account" is moved in the second line, Mr. Chairman, to immediately after "which" in the same line, it becomes more intelligible. It would then read, "This section does not apply to a loan, no portion of which not secured by shares or deposits in a Credit Union would exceed that amount to be prescribed."

In other words, no portion exceeds the amount to be prescribed. The prescription would set a figure at say, \$10,000.00, no portion of which is unsecured exceeds \$10,000.00.

Mr. Chairman: Does Clause 61 carry?

Some Members: Agreed.

Mr. Chairman: Clause 62. Does 62 carry?

Some Members: Agreed.

Mr. Chairman: Clause 63. Does 63 carry?

Some Members: Agreed.

Mr. Chairman: Clause 64. Does Clause 64 carry?

Some Members: Agreed.

Mr. Chairman: Clause 65.
Mrs. Whyard?

Hon. Mrs. Whyard: In sub 3, the registrar has to approve employment contracts?

Mr. Legal Advisor: No, Mr. Chairman, only ones which are for a greater duration than two years.

Hon. Mrs. Whyard: Why, Mr. Chairman?

Mr. Legal Advisor: I can only guess why, Mr. Chairman. A normal contract goes on from month to month or year to year. It is of an indefinite duration. If a person is dismissed then an action for wrongful dismissal lies against the Credit Union for dismissal and damages would be awarded in accordance with the usual terms of engagement of such a type of person. But there are certain types of management contracts where a person could enter into a contract to be employed for ten years, then if he is dismissed after a year, he turns around and he sues you for nine years' wages and he is entitled to it. That form of employment contract is prohibited.

Mr. Chairman: 65.

Some Members: Clear.

Mr. Chairman: 66?
Mrs. Whyard?

Hon. Mrs. Whyard: Is there any other area of jurisdiction where the registrar steps in and has someone dismissed who is not directly an employee of the government?

Mr. Chairman: Mr. Legal Advisor?

Mr. Legal Advisor: Yes, Mr. Chairman, the same as under the Real Estate Ordinance. An agent who is a partner under a Real Estate Ordinance, the Registrar in his capacity as the Registrar of the medical profession, the Registrar in his capacity as the Registrar of the legal profession, there are a number of areas where the Registrar comes down heavily on a person, it affects that person, even though he is an employee, and also affects that person's employees in turn.

This is controlling what is virtually a bank, and controlling bank officers and their honesty.

Mr. Chairman: Clause 66 carry?

Some Members: Clear.

Mr. Chairman: Clause 67. Shall Clause 67 carry?

Some Members: Clear.

Mr. Chairman: Clause 68.
Mr. Fleming?

Mr. Fleming: Yes, before you go too far, Mr. Chairman, back in 67, it says, "no person has a claim for damages against the Credit Union, the Registrar or the Commissioner by reason of an employment or management contract, plan or scheme..." and so forth. Discharge, is there no appeal, is there an appeal in this section somewhere for this type of thing?

Mr. Chairman: Mr. Miller?

Mr. Miller: Yes, Mr. Chairman, in 68, in Section 68, there is an appeal to the Commissioner.

Mr. Chairman: I have one question, Clause 68, Mr. Miller, under subsection 4, "The decision of the Commissioner is final and is not subject to appeal." Can we have an explanation for that? Sub 4, of 68.

Mr. Miller: Well, I think what we're basically saying, Mr. Chairman, is somebody has to make the final decision, and in this case we've used the Commissioner as the final deciding body.

Otherwise you'll never resolve the matter. It could be appealed and re-appealed and re-appealed.

Mr. Chairman: Clause 68 carry?
Mrs. Whyard?

Hon. Mrs. Whyard: There's just one comment, Mr. Chairman, which I wish to make and that is that obviously the powers given the Registrar here are more than I've got regarding civil servants.

Mr. Legal Advisor: You're only dealing with the highest class of officer in the Credit Union. The general manager and such like people. You're not dealing with people who may be members of a trade union.

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

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I think if you go back to 66, you're only doing this where a Credit Union is declared subject to the supervision of the Registrar, or it goes into voluntary liquidation. In other words, you would only do it if there was a sound reason for doing it. You're not going to just walk across the street and do it. There has to be a sound and valid reason and those are the only two circumstances.

Mr. Chairman: Mr. Spray?

Mr. Spray: Mr. Chairman, in Section 149 of this Bill, there is provision for an Appeal Board to be set up covering appeals made to the Commissioner, and we're really dealing with this Board as making the final decision.

Mr. Chairman: Clause 69?
Mr. Fleming?

Mr. Fleming: Mr. Chairman, it says in 68, "The decision of the Commissioner is final and is not subject to an appeal."

Mr. Spray: Mr. Chairman, if you go back to 149, it says, "...on determining any appeal under section 68, the Commissioner may, and shall, when so requested in writing by the appellant, appoint an advisory board." In other words, he is getting advice before he makes his decision.

Mr. Chairman: Clause 69, clear?

Some Members: Clear.

Mr. Chairman: Clause 70.
Mrs. Whyard?

Hon. Mrs. Whyard: On 69(4), "...the Directors may fill a casual vacancy in the office of auditor." Are we presuming that word following would say, "...by the appointment of another auditor"?

Mr. Chairman: Mr. Miller?

Mr. Miller: No, Mr. Chairman, in sub --

Hon. Mrs. Whyard: The directors would act as auditor, Mr. Chairman?

Mr. Miller: No, I'm sorry --

Hon. Mrs. Whyard: That's what it implies.

Mr. Miller: What it's saying is the directors may fill a casual vacancy and if you go to 5, it says -- "...where a vacancy occurs and if the directors fail to fill within 30 days, the Registrar shall appoint an auditor."

Hon. Mrs. Whyard: Mr. Chairman, I understand the intent, I'm just wondering if the wording is specific enough.

Mr. Chairman: Mr. Legal Advisor?

Mr. Legal Advisor: Mr. Chairman, the wording is specific enough to carry the duty to appoint an auditor to replace another auditor.

Hon. Mrs. Whyard: Thank you, Mr. Chairman.

Mr. Chairman: Does 70 carry?

Some Members: Clear.

Mr. Chairman: Clause 71. Clause 71 carry? Shall Clause 71 carry?

Some Members: Agreed.

Mr. Chairman: Clause 72.
Mrs. Whyard?

Hon. Mrs. Whyard: Clause 73(a), 1 and 2. "A spouse, parent or child of that person or a relative of (a) that person, or (b) the spouse of that person resides with that

person." How far do you go with relatives? You say first the immediate family and then you say a relative of.

Mr. Legal Advisor: What you're trying to say, Mr. Chairman, would have said perhaps three or four years ago, you're saying the immediate family includes a man's wife, father and children and his wife's father and brothers and children. You consider a wife with the person for the sake of the disqualification.

Hon. Mrs. Whyard: Well, he's saying spouse, Mr. Chairman.

Mr. Chairman: Mr. Miller?

Mr. Miller: I think, Mr. Chairman, there's a typo error in that. The "who" at the last word in the line, the last word in the line (b) should come forward out to the margin. In other words, "a relative of that person or the spouse of that person who resides with that person."

In other words, the "who" is in the wrong place. "Who" applies to both (a) and (b).

Hon. Mrs. Whyard: It's pretty involved.

Mr. Legal Advisor: It seems clear to me, Mr. Chairman.

Hon. Mrs. Whyard: I hope you're still around, Mr. Chairman, if we need help.

Mr. Chairman: Clause 72 carry?

Some Members: Clear.

Mr. Chairman: Clause 73. Shall 73 carry?

Some Members: Clear.

Mr. Chairman: Clause 74.

Hon. Mrs. Whyard: In 73, I would have said that in legislation for the purposes of this Ordinance all you needed there regarding the reports and duties of an auditor, would be sub (c), "the procedures adopted by the Credit Union are adequate for the safety for its creditors and members and whether the Credit Union is in sound financial condition." All the rest of it could have gone in Regulations.

Mr. Chairman: Clause 74 carry?

Some Members: Clear.

Mr. Chairman: Clause 75. Does 75 carry?

Some Members: Clear.

Mr. Chairman: Clause 76.
Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, maybe I have not read it, but does it require that the auditor submit an audited statement to the Registrar, because here it says in 76, "...the auditor of the Credit Union shall submit to the Registrar such additional information." Do I take it

from that then that he is bound to submit the initial audit as well?

Mr. Chairman: Mr. Miller?

Mr. Lengerke: Did I miss that somewhere?

Mr. Miller: That's correct, Mr. Chairman. He is required, I'm just trying to find it.

Mr. Lengerke: Yes, I can't find it.

Mr. Legal Advisor: I think the obligation of the directors to forward the auditor's certificate to the Registrar and then the Registrar can then go direct to the auditor.

Mr. Lengerke: Where does it say that, Mr. Chairman, that's what I've been looking for?

Mr. Miller: Mr. Chairman, they have to file each quarter.

Mr. Lengerke: That's fine Mr. Chairman, thank you.

Mr. Chairman: Clause 76 carried?

Some Members: Clear.

Mr. Chairman: Clause 77.
Mr. Fleming?

Mr. Fleming: I'm a little behind I think, but I just would like some clarification on 74. I've been back and read 73. I don't know -- the report to the auditors under section 72 does not contain the unqualified opinion? Where does unqualified opinion get into it?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, in sub 5 of 73, the auditor shall state in his report whether in his opinion, due provision has been made. There's a number of cases where he has to report "...in his opinion." If he doesn't give an opinion, an unqualified opinion, then he must say why.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: The Honourable Member has a good question because the heading on the side says "qualified opinion" and we're referring there to an unqualified opinion, so perhaps we could hear what each of them means.

Mr. Legal Advisor: Mr. Chairman, the head note is dealing with a qualified opinion and a qualified opinion is what the auditor gives when it's not an unqualified opinion. So when it's a qualified opinion, he has to say why and the main reason, the main thing that opinion must contain is that the procedures adopted for the Credit Union are adequate for the safety of the creditors and members and whether the Credit Union is in sound financial condition. If he doesn't give that certificate, anything else is a qualified opinion and is dealt with in Section 74.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: A question, Mr. Chairman. Probably the Legal Advisor could tell me if I'm right then in saying, in other words, any auditor that is doing papers and so forth and so on, has not got actual proof sometimes, too. Would this be the same thing and he says this is according to the company records and so forth? Does that mean that he would be giving an unqualified opinion there? That he would have to explain this when he's auditing books?

Mr. Legal Advisor: No, Mr. Chairman, it's not intended to mean that. Auditors are cautious people like lawyers and they say it appears to me that this is so and this is so and then he goes on to say, "I do not give my opinion that so and so and so and so." Or, "in my opinion, something, something, something." He wraps it up. Anything which is less than the certificate required by Section 73 has to have a reason for it. The reason may be that there's accounts missing or that somebody stole money or something, but he had to give the reason on which he based his qualified opinion.

Mr. Chairman: Clause 77 clear?
Mrs. Whyard?

Hon. Mrs. Whyard: What would his reason be? "He shall state in his report the reason why". What would the reason be?

Mr. Miller: Mr. Chairman, I think, coming back to a point in 73, let's take for example 73 (2) (b), "the financial statements are in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period".

They may decide to change their accounting in a year. Now he can't give that statement per se. He can say that the financial statements have been re-presented, so he qualifies his opinion. He can't give the precise statement, so he has to say why he is not giving the precise statement.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: Mr. Chairman, the Legal Advisor said no to what I--I don't know if he just misunderstood me before because I think this is exactly what it does say. "The Financial statements present fairly" and in his opinion they do state fairly, so he gives that opinion. Then it is an unqualified opinion and at the last, he must state that that is the reason. Is that it?

Mr. Legal Advisor: No, Mr. Chairman, if he gives an unqualified opinion he doesn't have to give any reason for it. If he avoids giving a straightforward opinion that is sound, then he must give the reason why he thinks it is not sound.

Mr. Chairman: Clause 77 clear?

Some Members: Clear.

Mr. Chairman: Clause 78. Is 78 clear?

Some Members: Clear.

Mr. Chairman: Clause 79.
Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, could we then hear an explanation of what is "qualified privilege"?

Mr. Legal Advisor: Qualified privilege, Mr. Chairman, is a defense in law to an action for libel or slander provided that the person has an interest in making the defamatory remark and the person to whom he makes it has an interest in hearing it, a legal interest. And this is saying definitively to a court, the auditor has got qualified privilege for any remarks he makes at a meeting or anywhere else in relation to something he found wrong, provided he believes it is true and he made it without legal malice.

Mr. Chairman: Clause 79 clear?

Some Members: Clear.

Mr. Chairman: Clause 80. Is 80 clear?

Some Members: Clear.

Mr. Chairman: Clause 81. Is 81 clear?

Some Members: Clear.

Mr. Chairman: Clause 82. Is 82 clear?

Some Members: Clear.

Mr. Chairman: Clause 83. Clause 83 clear?

Some Members: Clear.

Mr. Chairman: Clause 84. Clause 84 clear?

Some Members: Clear.

Mr. Chairman: Clause 85. Clause 85 clear?

Some Members: Clear.

Mr. Chairman: Clause 86. Clause 86 clear?

Some Members: Clear.

Mr. Chairman: Clause 87.
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, 1(a) may be of interest to the Honourable Member from Hootalinqua, regarding the Chairman's responsibility to vote.

Mr. Chairman: Thank you for drawing it to the Member's attention, Mrs. Whyard.
Clause 87 clear?
Yes, Mrs. Whyard?

Hon. Mrs. Whyard: In this case he gets two votes.

Mr. Chairman: Clause 87 clear?

Mr. Legal Advisor: That Section should be Section 127

that's mentioned in the body of it.

Mr. Chairman: Clause 88? Clause 88 carry?

Some Members: Agreed.

Mr. Chairman: Clause 89. Clause 89 carry?
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, why can't there be proxy votes? It's the custom to accept proxy votes at corporations' annual meetings and so on, as I am aware of, and why would a Credit Union not permit a member to vote by proxy?

Mr. Miller: Mr. Chairman, I agree that corporations who have shares outstanding, normally allow proxy votes, but I think the intent of a Credit Union is the common bond of its members and those who attend an annual general meeting are those who are normally interested in the Credit Union and should be required to attend to vote. They shouldn't be allowed to stay at home and vote on things that they may not know anything about.

Hon. Mrs. Whyard: No, Mr. Chairman, it's equally simple to argue that you're home with two broken legs and very interested in what's going on at that meeting and very well informed.

Mr. Legal Advisor: Mr. Chairman, you should come to the meeting even with a broken leg.

(Laughter)

Mr. Chairman: Mr. Miller?

Mr. Miller: I think, Mr. Chairman, it's contrary to the co-operative or common bond concept of Credit Unions.

Hon. Mrs. Whyard: I'm not going to join.

Mr. Miller: That is your privilege.

Mr. Chairman: Clause 89 carry?

Some Members: Clear.

Mr. Chairman: Clause 90. Clause 90 carry?

Some Members: Clear.

Mr. Chairman: Clause 91. The concern you had, Mrs. Whyard, is defined a little more in 91.
Does 91 carry?

Some Members: Clear.

Mr. Chairman: Clause 92. Does 92 carry?

Some Members: Clear.

Mr. Chairman: Clause 93. Does 93 carry?

Some Members: Agreed.

Mr. Chairman: Clause 94. Clause 94 carry?

Some Members: Clear.

Mr. Chairman: Clause 95. Does 95 carry?

Some Members: Clear.

Mr. Chairman: Clause 96.
Mr. Lengerke.

Mr. Lengerke: In 95, has that been the practice up to date, with the respect to the Credit Unions? Have they been carrying on as it says in 95, 1 and 2?

Mr. Miller: Mr. Chairman, I can only refer to last year. They did have an annual general meeting within 120 days of the end of the year. The Directors did place before the meeting an audited financial statement.

Mr. Lengerke: So members of that Credit Union did receive statements of the audit and the financial statement?

Mr. Miller: Yes, Mr. Chairman, they were available. I was there attending, I attended the meeting, not as a member, and I got a copy of the financial statements.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Clause 96 (2), it's a little obtuse.

Mr. Miller: In what it is saying?

Mr. Chairman: Mr. Miller.

Mr. Miller: Okay, sorry, there is a typing error in that, Mr. Chairman. "A person with whom a filing is required under subsection 1", the words "the Registrar may extend the time for filing with him".

Hon. Mrs. Whyard: To whom does that refer, Mr. Chairman.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: The two preceding sections say, "that the Credit Union shall file with the Registrar (a) not less than 14 days.... (b) within 14 days after...". And then we say, "the Registrar may extend the time for filing with him"? Of both of those or one or each or...?

Mr. Miller: No, Mr. Chairman, the, it should just read the Registrar may extend the time for filing with him". The filing required under 96 (1) (a), "not less than 14 days they shall be filed with the Registrar". He may extend that time, that's all it's saying. So you should delete the words "a person with whom a filing is required under Subsection 1".

Hon. Mrs. Whyard: Thank you, Mr. Chairman. Do we need that section at all, Mr. Chairman?

Mr. Miller: Mr. Chairman, in my view I think you do because the Credit Union may not be able to, for whatever reason, make a filing within 14 days, printing,

whatever.

Mr. Chairman: Clause 96, Clear?

Some Members: Clear.

Mr. Chairman: Clause 97. Clause 97 clear?

Some Members: Clear.

Mr. Chairman: Ninety-eight?
Is Clause 98 clear?

Some Members: Clear.

Mr. Chairman: Clause 99. Clause 99 clear?

Some Members: Clear.

Mr. Chairman: Clause 100.
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, 99, where there is a breach or a default or an error which comes to light, we find that action can be taken, but before they do that, they stop and think about its effect on the Credit Union. Are we implying Mr. Chairman, that they're going to cover something because of its effect on the Credit Union?

Mr. Chairman: Mr. Miller?

Mr. Miller: I don't think we're implying that we would attempt to cover anything up, Mr. Chairman. Basically what we're saying is that if it's not a material thing, you correct it. The Registrar or the Court will correct it, the defect but you have to consider the impact. In other words, we are asking the Registrar or the Court to consider the impact of correcting that effect. They may cause a worse problem by trying to correct a defect that has happened in the past. That's all we're really saying. Don't just correct the defect, but look at the consequences of correcting it.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: But, Mr. Chairman, this applies then only to when the defect is discovered by the officials of the Credit Union because I would assume if it were discovered in the inspections from the Registrar's office, nobody's going to hesitate before they take action, because it says here there has been a breach of a provision of this Ordinance.

Mr. Miller: Mr. Chairman, I would think that if the Registrar discovered something that was a breach of the Ordinance, before he ordered whatever that was to be corrected, he would consider the impact of that order, because it might cause a worse situation.

For example, let's assume that if I might, the Credit Union made a loan to one of its officers without authority. Do you validate that loan, or do you throw the loan out, which might make it uncollectable. Do you follow what I'm getting at?

Hon. Mrs. Whyard: Mr. Chairman, I certainly do, and

I think that this Section is going to put the Registrar into a very unenviable position at some time in the future. He may have very well have brought to the attention by one of the inspectors or auditors, some irregularity and he must then make a decision as to whether to overlook it, despite the fact that he is charged with making sure that every part of this Ordinance is complied with, and it he does overlook that, where do you stop with the next one.

Where is the cut-off point? Now, the heading for this Section says "Illegal Acts". It does not say "errors or omissions", it says "Illegal Acts." If it's an illegal act that is before us, do you stop and say, "what will be the effect on the Credit Union if we follow the due process of the law. I have a little problem with this Section, Mr. Chairman.

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I think I have to go back. The Registrar in the case that I used, might find that somebody did something illegally, that doesn't mean that he would invalidate the act that that person did. He may as a consequence of that act of that person move to proceedings through a Court against the individual, but he would not attempt to invalidate the act that that person carried out, because that might have an adverse effect on the Credit Union.

There's one other point, and it's the Registrar may make the decision, or by reference to a court, the Registrar may make reference to the Court and leave it to the Judge to decide. I would assume that if it was an illegal act in terms of a major thing that he would automatically refer it to the Court.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: I'd like to have a little clarification, Mr. Chairman. I don't quite understand the wording of it to start with "where an omission, defect, error or irregularity has occurred in the conduct of the business or affairs of the Credit Union and whereby" and it goes on to say all these things, "breach of any provisions of this Ordinance has occurred;" and then down at the bottom it just seems to stop and say "notwithstanding anything in this Ordinance, the Registrar, or upon a reference by the Registrar, the Court'...I still can't get them to go together at all.

Mr. Miller: Mr. Chairman, you have to turn the page. In (d) it says "the Registrar or the court may, either of his or its own motion or on the application, make an order to rectify or cause to be rectified...". On page 51.

Mr. Chairman: Clause 100, clear?

Some Members: Clear.

Mr. Chairman: Clause 101. Is 101 clear?

Some Members: Clear.

Mr. Chairman: Clause 102. Clause 102 clear?

Some Members: Clear.

Mr. Chairman: Clause 103. Clause 103 clear?

Some Members: Clear.

Mr. Chairman: Clause 104. I have a concern, Mr. Miller, on the sub (i) -- subsection 1(i), "where a vacancy occurs by death, resignation, removal or otherwise, in the office of the liquidator in a voluntary liquidation, the Registrar may fill the vacancy;" it's a little confusing to me, that.

Mr. Miller: I think, Mr. Chairman, what it's saying is that if the Registrar, I'm sorry, if the liquidator who was appointed, for whatever reason cannot carry out his appointment, that the Registrar may appoint another liquidator or another person to handle the liquidation.

I think if I might clarify that a little further, you have to go back to sub (c) - "a person designated by the Registrar shall be appointed and act as liquidator of a Credit Union."

So the Registrar appoints him in the first place. Now, if, after the appointment, he cannot -- he, for whatever reasons, primarily those listed, the death, if he resigns or if he is removed under subsection (h), then the Registrar has now got the authority to appoint another individual to fill the vacancy.

Mr. Chairman: But there is -- there is one concern I have there, Mr. Miller. Is the -- in accepting what you're saying, "By voluntary liquidation", but there's a word in there, "by removal".

Mr. Miller: Yes, I'm sorry, Mr. Chairman, the removal refers to the removal under sub (h), "where the Registrar is of the opinion that a liquidation is being carried on in an unsafe or unauthorized manner or is being unduly delayed he may remove him from office..." remove the liquidator from office.

Mr. Chairman: Therefore then it could not be termed or defined as a voluntary liquidation.

Mr. Miller: I'm sorry, Mr. Chairman, this whole section deals with voluntary liquidation.

Mr. Legal Advisor: That voluntary deals with a corporation which willingly goes into liquidation, Mr. Chairman. The voluntary liquidator is often paid, in fact he's always paid, Mr. Chairman.

Mr. Chairman: Clause 104 carry?

Some Members: Agreed.

Mr. Chairman: Clause 105. Clause 105 carry?

Some Members: Clear.

Mr. Chairman: Clause 106. Does this carry?

Some Members: Clear.

Mr. Chairman: Clause 107.

Mr. Legal Advisor: Mr. Chairman, can we go back

two sections, 105, subsection 2. It says in that, the leading section is, "Upon the Government of Yukon giving to the Registrar a certificate stating that the Government of Yukon, pursuant to Section" has done certain things. I can't think how the government can itself issue a certificate. Perhaps if the word was changed to the Commissioner giving to the Registrar.

I'm thinking of the difficulty of actually issuing a certificate signed by a government.

Mr. Chairman: Go to sub 1, Mr. Legal Advisor, the language would be inconsistent.

Mr. Legal Advisor: No, Mr. Chairman, it's easy to understand that the Government is entitled to something but when it comes to actually writing a document, it's different from the spirituality of the whole. All of the Members of this House are part of the government.

Mr. Chairman: That's why it's stating "Government of the Yukon".

Mr. Legal Advisor: Yes, but then who gives the certificate, Mr. Chairman?

Mr. Chairman: Mr. McIntyre?

Mr. McIntyre: It's okay, I was thinking more of the execution of the document, but it's true that it would be very difficult to have the Government of the Yukon do much of anything in the sense that it's stated here. I was thinking of the execution of the document under seal.

Mr. Legal Advisor: I'm not sure we have a Government seal, Mr. Chairman.

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I believe that should read Commissioner.

Mr. Chairman: Clause 107 carry?

Some Members: Agreed.

Mr. Chairman: Clause 108. Does Clause 108 carry?

Some Members: Clear.

Mr. Chairman: Clause 109. Shall Clause 109 carry?

Some Members: Clear.

Mr. Chairman: Clause 110. Shall Clause 110 carry?

Some Members: Clear.

Mr. Chairman: Clause 111. Shall Clause 111 carry?

Some Members: Clear.

Mr. Chairman: Clause 112.
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, this is a variation on the theme. In these sections under amalgama-

tion where we are referring to "some of the directors or to the directors, or some of them", for example in line 27 of (2), "authorize its directors, or some of them...". Why do we bother saying "some of them"? If you're authorizing directors, you're not assuming they're all going to go and do this are you? Is this required, we haven't used this phrase before.

Mr. Legal Advisor: No, Mr. Chairman, we haven't used it before.

Hon. Mrs. Whyard: Something new has been added, Mr. Chairman.

Mr. Chairman: Progress, I suppose.

Mr. Legal Advisor: I think it -- we took B.C. guidance in this. It's oldfashioned English sometimes, Mr. Chairman, in B.C.

Mr. Chairman: Shall Clause 112 carry?

Some Members: Carried.

Mr. Chairman: Clause 113. Shall Clause 113 carry?

Some Members: Clear.

Mr. Chairman: Clause 114. Shall Clause 114 carry?

Some Members: Clear.

Mr. Chairman: Clause 115.
Mrs. Whyard?

Hon. Mrs. Whyard: 115(b), why would the Registrar want to apply to the court to be given conduct of the action. If it was already in court and there was a plaintiff, why would the Registrar wish to intervene there?

Mr. Chairman: Mr. Miller?

Mr. Legal Advisor: They may have a right of action to recover \$25,000.00.00 that a friendly director has filched and may not want to take the action. The Registrar can move in and take it for them, and get back the money for the Members.

Hon. Mrs. Whyard: Mr. Chairman, I mean where the action has been brought as in (b).

Mr. Chairman: Mr. Legal Advisor?

Mr. Legal Advisor: Sometimes in that case too they start a cozy settlement, a John Doe type of action.

Mr. Chairman: Clause 115 carry?

Some Members: Clear.

Mr. Chairman: Clause 116. Clause 116 carry?

Some Members: Clear.

Mr. Chairman: Clause 117.
Clause 117, carry?

Yes, Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, surely, the Honourable Member from Klondike isn't going to let 117(1)(c) go through unnoticed. There's no comment. Mr. Chairman?

Mr. McIntyre: And there are typographical errors --

Mr. Chairman: At this time I would like to declare a brief recess before you all fall asleep.

(RECESS)

Mr. Chairman: I call this Committee to order. We were on Clause 117 prior to recess. Clause 117, clear?

Some Members: Clear.

Mr. Chairman: Clause 118. Clause 118, clear?

Some Members: Clear.

Mr. Chairman: Clause 119. Clause 119, clear?

Some Members: Clear.

Mr. Chairman: Clause 120. Does 120 clear?

Some Members: Clear.

Mr. Chairman: Clause 121. Is 121 clear?

Some Members: Clear.

Mr. Chairman: Clause 122. Is 122 clear?

Some Members: Clear.

Mr. Chairman: Clause 123. Is 123 clear?

Some Members: Clear.

Mr. Chairman: Clause 124. Is 124 clear?

Some Members: Clear.

Mr. Chairman: Clause 126.
Mr. Fleming?

Mr. Fleming: I'd like some explanation on 126 - "is a member of a member". A member of a member of this kind of a Credit Union, what does that imply?

Mr. Legal Advisor: Mr. Chairman.

Mr. Chairman: Mr. Legal Advisor?

Mr. Legal Advisor: The Credit Union would be composed of three or more members who are each of themselves credit unions. So, a person to be a director, must be a member of a credit union and that credit union must be a member of a group forming the Central Credit Union.

Mr. Chairman: Is 126 clear?

Some Members: Clear.

Mr. Chairman: Clause 127.
Mrs. Whyard?

Hon. Mrs. Whyard: Clause 127 (1)(c). For non-voting members "but the number of non-voting members shall not exceed the number of voting members...". What does it matter if they're non-voting; how many of them there are?

Mr. Chairman: Mr. Miller, do you wish to elaborate on that?

Mr. Miller: Well, I think all we're doing, Mr. Chairman, is ensuring that there are a majority of voting members, as members of the Central Credit Union. In other words, we don't want them to issue, to be able to issue their shares in such a fashion that there are a majority of non-voting shares.

Mr. Chairman: Mr. Miller, do you wish to elaborate on that?

Mr. Miller: Well, I think all we're doing, Mr. Chairman, is ensuring that there are a majority of voting members, as members of the Central Credit Union. In other words, we don't want them to issue, to be able to issue their shares in such a fashion that there are a majority of non-voting shares.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Who is a non-voter?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, in the provisions you can issue shares in the form of voting member shares or non-voting member shares. There's provision for that and all we're suggesting here is that there has to be at least a majority of voting shares issued.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: I'm not quite clear. It says non-voting members and I don't know whether the answer was clear or not, other than non-voting -- an actual non-voting member. What is that? Who is he? What is he?

Mr. Chairman: Mr. Miller?

Mr. Miller: What I'm suggesting, Mr. Chairman, is that the Credit Union has the ability under this Ordinance to issue shares as voting shares or shares as non-voting shares. Now the members who hold the voting shares must be in a majority over those who own the non-voting shares.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Well, Mr. Chairman, I don't want to delay things, but why is that necessary if you've got vote and determine on a proportional basis anyway

the other sections. That would take care of any such card wouldn't it?

Mr. Chairman: Mr. Miller?

Mr. Miller: No, Mr. Chairman, it doesn't prohibit them from issuing an unequal amount of non-voting shares. That's all we're suggesting. It's not dissimilar, Mr. Chairman, to a corporation if one were following a corporation where they could have more preference non-voting shares than they could have common shares.

Mr. Chairman: So, Clause 127 carries?

Some Members: Agreed.

Mr. Chairman: Clause 128. Shall Clause 128 carry?

Some Members: Agreed.

Mr. Chairman: Clause 129. Shall Clause 129 carry?

Some Members: Agreed.

Mr. Chairman: Clause 130. Shall Clause 130 carry?

Some Members: Agreed.

Mr. Chairman: Clause 131. Shall Clause 131 carry?

Some Members: Agreed.

Mr. Chairman: Clause 132. Shall Clause 132 carry?

Some Members: Agreed.

Mr. Chairman: Clause 133. Shall 133 carry?

Some Members: Agreed.

Mr. Chairman: Clause 134.
Mr. Lengerke?

Mr. Lengerke: With respect to 134, is it, this section has been changed considerably, I think from the original. What is the significance of the changes from the present -- current Ordinance?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I don't believe there is very much change. It may be expanded a little in words. The intent is still the same, the Credit Unions shall be examined at least annually by, and under the direction of the Registrar which is the intent of that one.

The only thing that this permits that is any different is the Registrar, instead of doing it himself or by agent, he may examine the audited financial statements.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, just out of curiosity, what sort of form does this report--is there a set form for it to be done on? Could we have a copy tabled in this case of a report, a Registrar's report of the Credit Union, say, last year?

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, there is no set form and in fact, there was not an inspection carried out last year by the Registrar.

Mr. Chairman: Does Clause 134 carry?

Some Members: Agreed.

Mr. Chairman: Clause 135. Does 135 carry?

Some Members: Agreed.

Mr. Chairman: 136. Does Clause 136 carry?

Some Members: Agreed.

Mr. Chairman: Clause 137. Does Clause 137 carry?

Some Members: Agreed.

Mr. Chairman: Clause 138. Does Clause 138 carry?
Mr. Lengerke?

Mr. Lengerke: It bothers me. I would like to go back to that 136 again and I would like to ask why--In fact, the answer given to me was that we did not carry out an inspection and we do have an Ordinance and it says, "The affairs of every Credit Union shall be examined at least annually by, or under the direction of the Registrar." I am just wondering why we didn't do that.

Mr. Chairman: Mr. Miller?

Mr. Miller: Mr. Chairman, I can only suppose that the Registrar did not have the time or was not aware of the requirement. I can report that there was no inspection made.

Mr. Chairman: Clause 139. Clause 139 carry?

Some Members: Clear.

Mr. Chairman: Clause 140. Does 140 carry?

Some Members: Clear.

Mr. Chairman: Clause 141.
Mrs. Whyard.

Hon. Mrs. Whyard: I may have missed it somewhere earlier. Do we define what Canada Deposit Insurance Corporation is anywhere? Is this the first reference to it? I don't see it in the Definitions section.

Mr. Legal Advisor: It's not in the Definitions section, Mr. Chairman, but I presume if it's described by name, it has an existence.

Hon. Mrs. Whyard: Mr. Chairman, could we ask what it is?

Mr. Chairman: Mr. Legal Advisor, what is it?

Mr. Legal Advisor: I don't know, Mr. Chairman. I

never heard of it before.

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, it is a corporation set up by the Government of Canada to provide insurance on deposits of Credit Unions, Trust Companies and banks.

Hon. Mrs. Whyard: It is a Crown Corporation, Mr. Chairman?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, it's set up under Canada law as a Crown Corporation.

Hon. Mrs. Whyard: Thank you, Mr. Chairman.

Mr. Chairman: Does Clause 141 carry?

Some Members: Agreed.

Mr. Chairman: Clause 142. Does 142 carry?

Some Members: Agreed.

Mr. Chairman: Clause 143. Does 143 carry?

Some Members: Agreed.

Mr. Chairman: Clause 144. Shall Clause 144 carry?

Some Members: Agreed.

Mr. Chairman: Mr. Fleming.

Mr. Fleming: Just one question. I was wondering why the \$50.00 is in there. It isn't in any of the others and all of a sudden they've found that under this one there should be a minimum of \$50.00. Why?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, what we're dealing with in the others is specific issues. In this one, we're talking about everything else that hasn't been previously specified and so we're making, I would assume that that would be a minor offense if you like, and we give the judge or the--yes, I guess the judge or the magistrate a little more leeway in assessing a fine.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, the answer is fine, although I'm wondering why before if this was a minor offense why it be not less than \$50.00, but--or the other offenses may be more. If the answer is right, it could be less than \$50.00. That was all, just a comment.

Mr. Chairman: Clause 145.
Mrs. Whyard?

Hon. Mrs. Whyard: I'm assuming actually this is a matter that the court would decide, but the time limitation here that the information must be laid within twenty-four months after the time when the subject

matter of the proceedings arose. If we are considering the case where something was going on in an underhanded way in some Credit Union for a long and extended period of time, and eventually somebody twigs and proceeds to take action, where do you rule that the subject matter arose. The first day that somebody changed some figures, the day that they were found out, how do you determine when the subject matter arose, Mr. Chairman?

Mr. Chairman: Mr. Legal Advisor?

Mr. Legal Advisor: I don't know, Mr. Chairman. The purpose is to extend the time limit to twenty-four months from the normal six months, but I look at it and see if there is any difference from our standard phrase in the same circumstances. I'd have to check with the Interpretation Ordinance or one of the other Statutes.

Hon. Mrs. Whyard: Mr. Chairman, I have no quarrel with the twenty-four months, I'm sure that's sufficient time. I'm just trying to figure out how you decide at what point the subject matter arose.

Mr. Legal Advisor: On this wording, I'm not sure, Mr. Chairman. What I meant to say was that I would look at the format we used to do this in another Ordinance and compare them, and set it if necessary. But the intention is to extend the time limit to two years from the commission of the offense.

Hon. Mrs. Whyard: Thank you, Mr. Chairman.

Mr. Chairman: Does Clause 145 carry?

Some Members: Clear.

Mr. Chairman: Clause 146.
Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, just a few minutes ago, the witness told me that an inspection had not been carried out by the Registrar, in particular to the Credit Union last year and here we under this Ordinance, we see it says, "a person who neglects or refuses to be examined to answer an enquiry to file a report..."

In 146 (1) (a) (iii) could that be the Registrar as well? It would be that person that would fail to file a statement or report?

Mr. Miller: No, Mr. Chairman, in this case we're dealing with a person who fails to file a report with the Registrar.

Mr. Lengerke: Well, Mr. Chairman, where is it in the Ordinance, or is there? I think I asked this question earlier, again and I'm concerned, that, where is it mandatory that the Registrar do this and who follows up on it, because here we have a case where we're told that we've broken our own Ordinance again, as we've heard other times in this House, and I'm concerned that the Registrar is the safety valve as far as the Yukon Territory is concerned in administering this Ordinance and we must make sure that, somehow, he carries out his duties. If he doesn't carry his duties out, how we--what's the check. Mr. Legal Advisor, or some

maybe can give me an answer.

Mr. Legal Advisor: Presumably in his annual report, Mr. Chairman.

Mr. Lengerke: He is not required?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, there is a requirement for the Registrar to do an annual inspection. It is specified in the law. Now the Registrar is appointed by the Commissioner and I would assume that if the Registrar is not doing his job, the Commissioner can remove the Registrar for cause under the Public Service Commission Ordinance.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, the question is, where does it say that?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, it doesn't say that, except in the Public Service Commission Ordinance, it spells out that the members of the Public Service are subject to the Commissioner.

Hon. Mrs. Whyard: Mr. Chairman?

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: The question is, where does it say Registrar shall do this annually?

Mr. Miller: In Section 134 (1), Mr. Chairman.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Mr. Chairman, the reason for my concern is this: Let's use the example of the Minister, the Honourable Minister was talking earlier that, you know, something goes wrong within the Credit Union and the Registrar does not carry out his inspection and it's found out later on that he has not carried it out, there's something wrong within the workings of the Credit Unions, who's liable? Would not the Government of Yukon then be the ones who would be liable for not carrying out their duties?

Mr. Chairman: Mr. Miller.

Mr. Miller: Mr. Chairman, that is a distinct possibility that the Government of the Yukon and certain of its members, i.e. the Registrar, may become liable for not carrying out their required duties.

Mr. Lengerke: Okay.

Mr. Chairman: Shall 146 carry?

Some Members: Clear.

Mr. Chairman: Clause 147. Shall 147 carry?

Some Members: Agreed.

Mr. Chairman: Clause 148. Shall 148 carry?

Some Members: Clear.

Mr. Chairman: clause 149.

Mr. Legal Advisor: Mr. Chairman, I see there's an important typographical error in 149. I think the first word of the subsection should be "in determining".

Mr. Chairman: Line 7?

Mr. Legal Advisor: Yes, Mr. Chairman.

I've been asked, Mr. Chairman, the reason why. If it's "on determining", then he's appointing the Board after it's already determined.

If it's "in determining", he's appointing the Board first to advise him as to how to determine the appeal.

Hon. Mrs. Whyard: Mr. Chairman, are we assuming then that the same Board that investigates also sits as an appeal Board?

Mr. Legal Advisor: No, Mr. Chairman.

Hon. Mrs. Whyard: Mr. Chairman, with respect, 149(2) says, "the advisory board shall for the purposes of their duties in connection with the investigation and hearing into the appeal...", so they are doing both.

Mr. Legal Advisor: With respect, Mr. Chairman, this is intended to give that board the same powers in hearing the appeal as a court would have. It's not an investigating board, it's merely hearing an appeal at the request of the Commissioner from a decision of the Registrar's.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Well then, Mr. Chairman, why doesn't it just say, "the advisory board shall for the purposes of their hearing in the appeal have the powers of..."

Mr. Legal Advisor: That would be sufficient, Mr. Chairman.

Mr. Chairman: Shall Clause 149 carry?

Some Members: Clear.

Mr. McCall: Mr. Chairman, I would move that Mr. Speaker do now resume the Chair.

Mr. Fleming: I second that.

Mr. Chairman: It was 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.

(Mr. Speaker resumes Chair)

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

Mr. Hibberd: Mr. Speaker, the Committee of the Whole have considered Bill Number 10, Credit Union Ordinance, and directed me to report progress on same.

The Committee had in attendance as a witness, Mr. Bruk, President of Cyprus Anvil Mining Corporation, in relation to Resolution Number 5.

Committee has also directed me to ask leave to sit again.

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

Some Members: Agreed.

Mr. Speaker: And leave is so 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 five o'clock.

Ms. Millard: Mr. Speaker, I second that.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Ogiivie, that we do now call it five o'clock.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

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

(ADJOURNED)

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