



The Yukon Legislative Assembly

Number 28

8th Session

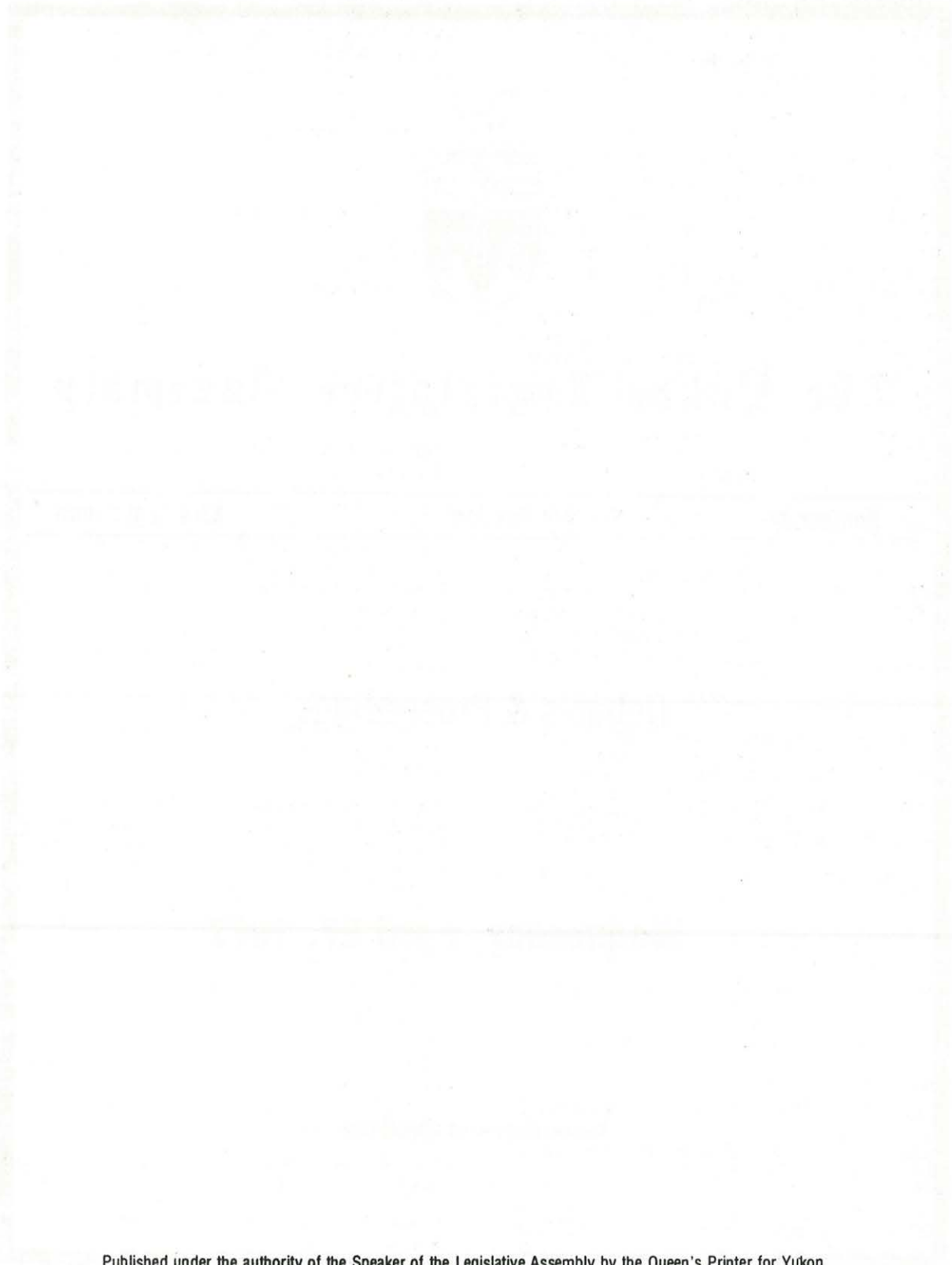
23rd Legislature

Debates & Proceedings

Wednesday, April 27, 1977

Speaker: The Honourable Donald Taylor

to present
of the



Whitehorse, Yukon Territory
April 27 1977

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

(Prayers)

Mr. Speaker: Before proceeding with the Order Paper this morning, as Members will recall, on November 2, 1976, the Yukon Legislative Assembly formally occupied for the very first time, these our permanent Chambers. At that time and on behalf of all Members of the House, it was my pleasant duty to dedicate these Chambers to all of the people of the Yukon to whom we are indebted to serve.

I can now advise the House that a suitable plaque has been installed at the entrance to the Public Gallery in commemoration of this most historic event and to serve as a constant reminder to the people of Yukon of the continuing independence of this, their Legislative Assembly.

We will proceed at this time to the Order Paper.

ROUTINE PROCEEDINGS

Mr. Speaker: The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Mr. Speaker, I'd like to rise this morning on a point of personal privilege. Over the last week or so we've heard a lot of reports from Standing Committees and have seen them tabled in this House and I'd just like to pay a tribute to the Clerk of the Assembly and her support staff in providing, certainly the input and a lot of resourcefulness towards those Committees and their work.

You know, I was really amazed at, just in working in one of the Standing Committees, that the respect that is shown to Yukon and the Clerk of this Assembly and certainly the Speaker's position, by other jurisdictions and when we're looking for information and backup, we seem to have no problem getting that kind of help whatsoever.

And as I said earlier, I think we should pay a tribute to the Clerk of the Assembly and her support staff in helping us.

(Applause)

Mr. Speaker: Are there any Documents for Tabling?

Reports of Committees?

Petitions?

Introduction of Bills?

BILLS: INTRODUCTION AND FIRST READING

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

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre that a Bill entitled "Stabilization Fund Loan Ordinance" be now introduced and read a first time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre that a Bill entitled "Stabilization Fund Loan 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 a second time?

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

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

The Honourable Member from Whitehorse Porter Creek?

Hon. Mr. Lang: Mr. Speaker, on behalf of the Commissioner of the Yukon Territory, I have the privilege of introducing Third Appropriation Ordinance, 1977-78, approved and recommended for the consideration of the Legislative Assembly of Yukon under the provision of Section 24 of the Yukon Act and Standing Order 62 of the said Legislative Assembly, signed Commissioner of the Yukon Territory, Arthur Pearson.

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

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that a Bill entitled "Third 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 that the motion is carried.

(Motion carried)

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

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

Mr. Speaker: Are there any further Bills for Intro-

duction?

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: Mr. Speaker, I give Notice of Motion, moved by myself, seconded by Mr. McIntyre, with respect to the nominee for Pipeline Hearings.

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

The Honourable Member from Kluane?

Mrs. Watson: I give Notice of Motion, Mr. Speaker, seconded by the Honourable Member from Riverdale that the Green Paper on Highway signs be moved into Committee.

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

Are there any Statements by Ministers?

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

QUESTION PERIOD

The Honourable Member from Whitehorse Riverdale?

Question re: Amending of Transport Public Utilities Ordinance

Mr. Lengerke: Yes, Mr. Speaker, a question this morning directed to probably one of the Ministers this morning, Health and Welfare could probably answer this one, I am sure. I understand that the Government is planning to introduce amended Motor Vehicle Legislation at the Fall Session and I am just wondering if they would be planning to bring forth some amendments to the Transport Public Utilities Ordinance as well.

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

Hon. Mrs. Whyard: Mr. Speaker, it is the intention of this Government to revise a number of Ordinances over the summer months and I understand the appropriate department is preparing a new Motor Vehicles Ordinance for the November Session. They are also asking for permission to rewrite the Transport Public Utilities Ordinance.

Mr. Speaker: The Honourable Member from Ogilvie?

Question re: Unemployment in Yukon

Ms. Millard: A written question, Mr. Speaker, for Mr. Commissioner.

(a) What is the official unemployment rate in the Yukon; and

(b) Since eligibility for unemployment insurance is now related to the unemployment rate, how many weeks of work will be needed in the Yukon to be eligible?

Mr. Speaker: The Honourable Member from Whitehorse West?

Hon. Mrs. Whyard: Mr. Speaker, on April 26th, the Honourable Member from Pelly submitted a written question asking, in view of the fact that the Faro Board of Health has completed its study on the proposed upgrading of the Faro Nursing Station and presented its proposal to the regional director of Northern Health Services and presumably the Territorial Health Department has received a copy of the proposal, can the Minister advise when will the decision be made with respect to the expansion of the Faro Nursing facilities? Can we expect the construction to start this year and what is the total amount of monies available, federal and territorial, for this project?

The answer, Mr. Speaker, to those questions: In its proposal, the Faro Board of Health suggested that the facility be expanded from four to ten beds.

Health and Welfare Canada have advised that an analysis is required to determine if in fact six is the correct number of extra beds, or if it should be more or less. The Regional Office, the Department of National Health and Welfare has, at this time, made limited progress on their report and anticipate it will take three to four months to complete.

The decision is not so much one of expansion, but rather the amount or form of expansion required. The decision cannot be made until the report by the Regional Office is completed. At this time, the Regional Office is not prepared to make any commitments on the start of construction.

In the 1977-78 Estimates, Establishment 2501, the Territorial Government has provided \$20,000.00 for design and engineering studies of this proposal. It is anticipated that we will be called upon for a further \$160,000.00 in 1978-79 and that our total cost will be in the region of \$270,000.00.

Mr. Speaker: Mr. Commissioner?

Mr. Commissioner: Mr. Speaker, on April 12th, Mr. Berger asked the following question: In the light of the 100 per cent commitment of Dawson City to tourism, I was informed in Dawson on a recent visit that the Economic Planning Unit is going to conduct a survey about the economic impact of tourism in Dawson. I was wondering if Mr. Commissioner could explain to us what this study is going to do to Dawson and why it is actually being done?

The answer is that I can assure you the Economic Planning Unit is not involved in any way with such a holistic study. My understanding is that no such study on the impact of tourism in Dawson City is being considered by any government agency, either YTG or the federal government.

What has been considered, however, is a study by Parks Canada to determine what the socio-economic impact of Parks Canada's development alone, and their program will be on the City of Dawson. There has been no decision whether this particular study will proceed however. Parks Canada feels that the study should not

be done until after they have announced their master development plan for Dawson. Parks Canada expects to announce their development plan in June.

Whether this particular study is initiated or not, the Economic Research and Planning Unit of the Yukon Territorial Government has not been asked to participate and at this time, they have no plans to become involved in such a study.

Mr. Speaker: The Honourable Member from Whitehorse West?

Hon. Mrs. Whyard: Mr. Speaker, in the Question Period on the 26th April, Ms. Millard asked whether a recommendation concerning the Child Abuse Registry had been acted upon by the Social Welfare Branch.

A Child Abuse Registry has been considered for the Yukon and information has been gathered from various parts of Canada. At this time it has not been felt to be a priority need, as the Yukon is small and most concerns are channeled through the Social Welfare Branch.

In the provinces there are such a variety of resources, it is far more difficult to coordinate this type of information and service. A Registry as such, is something that will be developed eventually. In the meantime a considerable amount of work has been done across North America in this area, and we will be in a position to take advantage of the research done Outside.

The most important factor in this problem is effective coordination of the services presently provided and public education in the area of reporting abuse and awareness of the services available.

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

Hon. Mrs. Whyard: Mr. Speaker, on April 26th, the Honourable Member for Pelly asked regarding the Town of Faro being plagued by beetles and asked if the Department of Health could assure the residents of Faro that the insecticide used for fumigating is not harmful.

Mr. Speaker, this problem has had our attention since the Fall of 1976, but out of deference to the Honourable Member, we didn't mention it.

Mr. Speaker, the beetles in question are saw-tooth green beetles, (chomp, chomp) associated with cereal. We have not been able to name the brand.

(Laughter)

Mr. Speaker, they are not directly associated with a health hazard, but are a public nuisance and unsightly. The problem is one apartment block and there is difficulty regarding access to one particular apartment.

Our Environmental Health Officer will be in Faro the week of May 9th, 1977 for investigation and discussion with town officials, board of health, the land owner and the tenant.

Regarding the insecticide which has been used in these cases, the insecticide is called "Buggy-Whip" -

(Laughter)

-- and is a well recognized insecticide. It's safety is

dependent upon its correct use. We are hoping to remove all the people at one time from the entire building, however, we may require other action as one tenant is not cooperating.

Mr. Speaker, I would like to add, for the reassurance of all Members, that these saw-tooth beetles, which sound pretty ferocious, are very small insects, barely visible. There have been only three units of housing, three apartment units involved. Two of them have been completely under control for some time and I'm informed as of this morning from Faro, that the third one is really looking hard to find a beetle these days.

However, I would like at this time, Mr. Speaker, to give credit to the Board of Health at Faro, which have put together a package of information regarding this particular insect and have handed out, in cooperation with the land owner and the Environmental Health Officer, instructions on how to use insecticide.

Thank you, Mr. Speaker.

Mr. Speaker: The Honourable Member from Pelly River.

Mr. McCall: Just a supplementary to what the Minister has just said, Mr. Speaker, I'm just wondering if the Minister of Health can advise me whether it be wise that I change my brand from corn flakes to some other cereal in the morning?

Mr. Speaker: I think we'll disallow that question.
The Honourable Member from Whitehorse South Centre?

Mr. Hibberd: Is the Honourable Member from Pelly afraid that he also might be susceptible to "Buggy-Whip"?

(Laughter)

Mr. Speaker: I must disallow that question as well. Have you any further questions?

We will then proceed on the Order Paper to Orders of the Day, under Motions for the Production of Papers.

ORDERS OF THE DAY

MOTIONS FOR THE PRODUCTION OF PAPERS

Item Number 1

Madam Clerk: Item 1, standing in the name of the Honourable Member, Mr. Lengerke.

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

Mr. Lengerke: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Kluane, that copies of all replies received to date by the Economic Research and Planning Unit, in response to their letter of February 7, 1977, dealing with Phase One of Public Participation in a Plan for Yukon's Future, be tabled in this Assembly forthwith.

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)

Hon. Mr. Lang: Mr. Speaker, on a point of privilege, I'm sorry things went a little too fast. In relation to this particular motion, the Government has no objections to tabling the letters that were sent to the Government, but I think that all Members must be aware that we must have concurrence of the parties that have written to the Government, because they are obviously not aware that they would have been tabled in public. So, prior to any letters being tabled, we must get their consent in relation to tabling these particular documents.

Mr. Speaker: We will proceed to Motions.

MOTIONS

Item Number 1

Madam Clerk: Item 1, standing in the name of the Honourable Member, Ms. Millard.

Mr. Speaker: Is the Honourable Member prepared to deal with Item 1?

Ms. Millard: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Ogilvie, seconded by the Honourable Member from Hootalinqua;

THAT it is the opinion of this House that the Public Service Commission should look into the possibility of altering Public Service Commission Regulations 20 to 24, to indicate a time limit within which a classification review decision must be made and acted upon by the Commission.

The Honourable Member from Ogilvie?

Ms. Millard: Mr. Speaker, this is pretty well a straightforward Motion of a housekeeping nature, which was brought to my attention in my work dealing with the motion which was discussed yesterday concerning classification review.

At this time the Public Service Commission Regulations attached to the Public Service Commission Ordinance show no time limit within which a classification review decision must be made, nor does it show a time limit within which the decision must be acted upon.

At the moment, the Regulations 20 to 24 cover requests from the Deputy Head for a review, requests from the employee for a review, supplying information concerning it, and notification of the decision having been made, and dealing with further reviews so that there is a gap in there in which it shows that a review request, in actuality, doesn't have to be acted upon.

If there was a time limit put on it, then the decision would have to be made within a certain time and acted upon within a certain time.

Just in conclusion, I would say that I've discussed this with the Chairman of the Statutory Instruments Committee and he has seconded the motion. We are in agreement that this is the route that should be used, rather than referring it to the Standing Committee at this time.

Mr. Speaker: The Honourable Member from Klondike?

Mr. Berger: Yes, Mr. Speaker, maybe I shouldn't stand up, Mr. Speaker, but I find it very strange when we have the Committee on Statutory Instruments and yet if the Honourable Member would have taken the trouble to talk to Committee Members, she would have found out that we are planning to review the whole regulations of the Public Service Commission Ordinance. I don't think it's the proper way to go, to bring this part of the Regulations in the House right now at this moment.

I think it's like in another regulation, there's all sorts of fields that need to be reviewed and I don't think that's the proper way of doing it right now.

Mr. Speaker: The Honourable Member from Hootalinqua?

Mr. Fleming: Mr. Speaker, I am seconding the motion for the Honourable Member merely because she came to me with a problem and I, upon reading the same thing as she did, I realized there is a problem there and has been a problem, and I don't really feel, as being Chairman of that Committee, I don't feel that this should infringe on any Member, the right to bring something to this House just to be discussed and possibly done there.

As Chairman of that Committee, I'm sure we're going through all the Regulations we possibly can and will be continuing in the future, but we are not going to get through all of them immediately, there's no question about that. I presume there will be more motions of this type come to the floor too. On seconding the motion, as I say, I just wish to see the Honourable Member have her right to bring something to the House and question that problem. I see the same problem there in the time that a person could be sitting around for months on end and not getting an answer to anything, and I think there should be a time limit in it.

If the Honourable Members here will all read 20 to 24, you'll see that it has been deleted. There's nothing there whatsoever to say that they will act at any time until such time as after they have decided what's going to be done, and then they have ten days to inform the person, but nothing, nothing tells them that they must do it at any time. They could go on forever and never do it if they have a problem.

That's the reason it's here. I don't think it conflicts actually. The Honourable Member has a point, from Klondike, but it doesn't really conflict with our job as a Committee here.

Mr. Speaker: The Honourable Member from Pelly River.

Mr. McCall: Thank you, Mr. Speaker. As you can

see, Mr. Speaker, even this Committee doesn't tend to agree. I do not agree with our Chairman. I do not agree with the motion. I believe the Member that was putting forward this motion should have been advised by the Chairman that maybe we could have brought forward the Public Service Commission Regulations at an earlier date than what was anticipated in order to cover off such a concern.

I do not agree with this motion at all, Mr. Speaker. We have already been advised that we will be going through the Public Service Commission Regulations, which this motion is making reference to. If this be the case, maybe we should concern ourselves with some other regulations in the Public Service Commission Regulations and let other motions come into this House the way this one is.

Mr. Speaker: Any further debate?
The Honourable Minister of Education?

Hon. Mr. Lang: Mr. Speaker, I have to agree with the Honourable Member from Pelly and the Honourable Member from Klondike that, if Regulations are going to be reviewed, they should be reviewed in totality, not on an ad hoc basis, and this is what appears to have happened in relation to this particular motion.

I'm sure that there's a definite reason for no time limit. I don't have the answer at the present time, but I am sure that, prior to passing a motion like this, we would want to know the definite reasons why it's been left open the way it is. If the Statutory Instruments Committee is going to review the Public Service Commission Ordinance, it should be done in totality, not on an ad hoc basis. I cannot support the motion at the present time, Mr. Speaker.

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

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Some Members: Disagreed.

Mr. Speaker: Division has been called.

It has been moved by the Honourable Member from Ogilvie, seconded by the Honourable Member from Hootalinqua, that it is the opinion of this House that the Public Service Commission should look into the possibility of altering Public Service Commission Regulations 20 to 40 to indicate a time limit within which a classification review decision must be made and acted upon by the Commission.

Madam Clerk, would you kindly poll the House?

Madam Clerk: The Honourable Mr. McKinnon?

Hon. Mr. McKinnon: Disagree.

Madam Clerk: The Honourable Mrs. Whyard?

Hon. Mrs. Whyard: Disagree.

Madam Clerk: The Honourable Mr. Lang?

Hon. Mr. Lang: Disagree.

Madam Clerk: The Honourable Member, Mr. McIntyre?

Mr. McIntyre: Yea.

Madam Clerk: The Honourable Member, Mr. Berger?

Mr. Berger: Disagree.

Madam Clerk: The Honourable Member, Mr. Hibberd?

Mr. Hibberd: Disagree.

Madam Clerk: The Honourable Member, Mr. Fleming?

Mr. Fleming: Agree.

Madam Clerk: The Honourable Member, Ms. Millard?

Ms. Millard: Agree.

Madam Clerk: The Honourable Member, Mr. McCall?

Mr. McCall: Disagree.

Madam Clerk: The Honourable Member, Mrs. Watson?

Mrs. Watson: Disagree.

Madam Clerk: The Honourable Member, Mr. Lengerke?

Mr. Lengerke: Nay.

Madam Clerk: Mr. Speaker, the results of division are: three yea, eight nay.

Mr. Speaker: I must then declare that the motion has been defeated.

(Motion defeated)

Item Number 2

Madam Clerk: Item 2, standing in the name of the Honourable Member, Ms. Millard.

Mr. Speaker: Is the Honourable Member prepared to discuss Item 2?

Ms. Millard: Yes, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Ogilvie, seconded by the Honourable Member from Whitehorse South Centre, that it is the opinion of this House that the Administration should

request the Honourable Romeo LeBlanc, Minister of Fisheries and Environment, to look into the possibility of immediate environmental impact studies on the building of the Dempster Highway, particularly concerning impact on the Dempster caribou herd.

The Honourable Member from Ogilvie.

Ms. Millard: Mr. Speaker, at first glance, this motion may seem to be redundant to the one we just recently passed — put forward by the Member from Riverdale concerning the Game Department and the study that they're doing into this very aspect.

However, I feel that we should also try to get input from the federal people on this and certainly I have all faith in the Game Branch study, but I don't feel that our budget allows them to do the study really any justice. I feel that the Federal Minister of Environment should have been involved long before this and must be involved now. It's a federal road we're discussing, a federal decision was made to build the road and I feel that federal money should be put into any kind of environmental impact study on the Dempster.

It really is an eleventh hour motion; it's something that should have been done a long time ago. I've written the Minister on this, spurred on by the Foothills study on the possible — to me, a very real possibility of the pipeline going down the Dempster eventually, and I would urge the concurrence of the House on this motion.

Mr. Speaker: Is there any further debate?

The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I'd have no problem with this motion at all. The Member from Ogilvie did mention that we did pass a motion in this House — I think it was April 13th — with respect to the same subject. In that motion, it also called for the Government of Yukon to explore possibilities with the Federal Government for whatever funding or increased manpower or facilities to carry out certainly the type of study that the Honourable Member from Ogilvie is looking for at this time with respect to the caribou herd on the Dempster and other impact concerns, environmental impact concerns.

I would have no problem, Mr. Speaker; it's quite a positive motion.

Mr. Speaker: The Honourable Member from Klondike?

Mr. Berger: Yes, Mr. Speaker, I'm not going to stand up and talk against the motion; I just would like to have a minor amendment in there. I would like to suggest to the House and to you, Mr. Speaker, to maybe read it as a typographical error. There's no Dempster Caribou herd; the herd is known as the Porcupine herd.

Mr. Speaker: Is there any further debate?

The Honourable Member from Hootalinqua?

Mr. Fleming: Yes, Mr. Speaker. I would rise in support of the motion; however, I just have a comment to make that I hope that this motion is not going to go the same route — not the motion, but the fact that last year we had a study such as this done on some areas in Teslin

by the Fisheries and, in the process of it, I think everybody that was doing the study got lost. I simply hope they don't go up the Dempster somewhere and get lost.

Mr. Speaker: Order please. The Honourable Member from Kluane?

Mrs. Watson: Mr. Chairman, I have a great deal of problem considering this motion since, the other day, we did request that a study be done by our Game Branch and to have federal input. What we're doing is requesting the Minister of Fisheries and Environment to do a study and I am sure that the environmental branch of Northern Affairs are doing a study.

I just feel that, somehow or other, we have to start correlating some of the spending that we are doing on environmental studies or all kinds of studies in the country. There are people sitting in these departments who would just love to drop their pencil when they get a Resolution such as this, to start another study. I am just not going to support it, because I really don't know what I am supporting, how many studies have been done, what kind of a study are you looking at? A \$200,000.00 one or a \$5,000.00 one.

If it's a \$5,000.00 one, it's a waste of money; if it's \$200,000.00, it's too much money. Foothills, or a pipeline, if they are going to do it, are going to have to carry on that kind of a study, our National Energy Board should advise that they do.

Mr. Speaker, I'm afraid that my thrifty background and my thrifty character is not going to let me support it, and honestly, what we are supporting is a pig in a poke, so I'll be voting against it.

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

Hon. Mrs. Whyard: Mr. Speaker, I require further information before I can make an intelligent decision on this proposal and I'm wondering if we can be informed regarding what studies are being conducted, by whom, and for how much, before we approach this question?

I understand that our own department is already launching or co-ordinating such a study. Perhaps Mr. Commissioner could assist us in this matter?

Mr. Speaker: I don't believe that it would be permissible for Mr. Commissioner to address the House during a discussion or a debate on a motion.

Is there any further debate? The Honourable Minister of Education?

Hon. Mr. Lang: Mr. Speaker, in view of the comments that have been made, I would move that we move Motion Number 25 into Committee for further discussion.

Mr. Speaker: Is there a seconder?

Mr. McCall: I'll second that motion.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Pelly River, that Resolution Number 25 be referred to Committee of the Whole. Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the Motion carried.

(Motion carried)

Mr. Speaker: We will now proceed to Public Bills.

PUBLIC BILLS

Madam Clerk: Third reading, Bill 10, Credit Union Ordinance.

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

Amendments to Bill 10, First and Second Reading

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre, that the amendments to Bill Number 10 be now read a first and second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that the amendments to Bill Number 10 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 is carried.

(Motion carried)

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

Bill 10, Third Reading

Hon. Mr. Lang: Now, Mr. Speaker. I move, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 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 to the Bill?

Hon. Mr. Lang: Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 do now pass and that the title be as on the Order Paper.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 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 10 has passed this House.

Madam Clerk: Third reading, Bill 12, Recreation Development Ordinance.

Amendments to Bill 12, First and Second Reading

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre, that the amendments to Bill Number 12 be now read a first and second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that the amendments to Bill Number 12 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 is carried.

(Motion carried)

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

Bill 12, Third Reading

Hon. Mr. Lang: Now, Mr. Speaker. I move, sec-

ended by the Honourable Member from Whitehorse North Centre, that Bill Number 12 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 12 be now read a third time. The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, I would like to comment briefly on the Recreation Development Ordinance. I think that all Members are aware that I had some grave concerns over a part of this Ordinance, and I still do. I don't think people in this House realize the major, and I say major, change of policy in the delivery of recreation in some of the communities in the Yukon. I don't think the communities are even aware of the changes that will be taking place themselves.

I can see some very difficult times ahead for some of the communities. I would have hoped that the Legislation would have started with the position that the communities are at now and let them make the decision, rather than impose the decision on what route to go on another body that never before has handled recreation in these communities.

There are some good aspects to the Bill. There will be provision for some assistance to some of the very much smaller communities in our Territory that we were talking about the other day when we were talking about electoral redistribution. Communities that have not a large population, that have a very specific community interest, and that certainly will require some assistance from the government in order to have any type of recreation program, so there will be more funding coming toward that.

I must again express my concern about the fact that we are almost leaving in limbo the communities in this Territory who, on their own, slaved and volunteered and contributed to build recreational facilities, community halls, skating rinks, curling rinks, some of them I suppose even swimming pools. These people, in order to hang on to their own capital investment, are not getting a great deal of assistance from the Territorial Government in this Legislation in order to keep operating those facilities.

We know, Mr. Speaker, that operational costs have increased markedly in the last three or four years and still we're using the same formula that we used three years ago, taxes have increased. I am concerned that the independence and the ability of people who want to do something on a volunteer basis is going to be — is being eroded very badly.

We are going to be looking at government takeover of these facilities. Once that happens, Mr. Speaker, a great deal of that spirit that we know in the Yukon, that volunteer, we want to build something, we want to create something, is going to be gone and they're going to say, well, the government's running that, let them send over a plumber or let them pick up the garbage or let them do it. I think this is the type of thing that we don't want to see happening and this legislation is helping to bring that about.

If the government should see fit, for next year, to provide some more financial assistance, and I'm not asking for a great deal, I'm just asking for enough to be

able to help them keep the doors open to help them pay that light bill, to help them pay that fuel bill, and to help them pay their taxes — I would hope that next year the government will be prepared not to leave this one sector of our Yukon, which is very historic, in limbo and make some provision so that they can in fact continue to exist and provide the service that they embarked upon quite a number of years ago.

Thank you, Mr. Speaker.

Mr. Speaker: The Honourable Member from Hootalinqua?

Mr. Fleming: Yes, Mr. Speaker, before the passing of this Bill I would also like to say a few words. I think it has been well said by the Member from Kluane and these are my own feelings exactly. I think we are going to, in time, take away the initiative of the people and the old spirit of saying, let's do it ourselves, and let's have our own thing and do our own thing, and we're going to have government control. It is not necessarily in this Bill, but it is a start, and I would have much preferred to see the government come forth as many times as we have asked them. So many times where the tax forgiveness program or something to help these communities instead of this type of legislation.

Then we wouldn't have needed this type of legislation, I don't think. I don't really believe that we have to go through this much and put them under this much control to give them a few dollars to help them run their places and to help the recreation system in the Yukon Territory.

I feel that, as time goes on, the Government will move in. There is no question about it; they will move in. They will take over most of the places and we have the problem, which I don't think the Government looked into at the time, and again we have to bring up the native peoples. I don't like to use them here in this House as native peoples, but they have a different agreement with a Government that's above us. Up to this date, it has not been too bad, because we, the people, get along. They get along. We get along together. The funding that is going towards their recreation and the funding that is going towards ours is not being divided or split only by the Governments, but once we bring this in here, they will also have the problem as to how they are really going to join us or keep going with us.

I'm sure that, even though there's nothing in here says they can't, they're going to agree wholeheartedly with that, that they can come still and join us and be one of us, but we're going to have to work just that much harder because the Federal Government is up above, still doing their thing and not really realizing that we want to get together.

Mr. Speaker, I, of course, have to agree with the Bill due to the fact that my constituents can see a few dollars and they have seen that and they wish to have those few dollars and, as the Honourable Member from Kluane has said, I don't think they really realize exactly how far they're going to go into this thing, what they're going to get into. Some of them don't, some of them can see it, and they are very, very outspoken about it too, but the majority just don't see where the Bill is actually going. The club has been there in the little towns, are there, they're all together, they don't see what can happen in something like this. All they see is the fact that the

Government is trying to give them some more money and that is really not exactly what the Bill says. If you read between the lines a little bit, it says that someday we will have complete control.

Hopefully, at that time, they will forgive the taxes, Mr. Speaker.

Mr. Speaker: The Honourable Minister of Education?

Hon. Mr. Lang: Mr. Speaker, I cannot agree with the statements made by the two previous speakers. I think that the Bill, for one thing, gives a firm legislative base for recreation which we have not had up until this time. It has always been done by Regulation; therefore it formalizes this Government's commitment in the area of recreation.

The Honourable Member from Hootalinqua says that we will be giving money straight to the communities. This is not the case, Mr. Speaker. As I explained during debate on the Bill, it is a cost-shared program which will be provided to communities for assistance for recreation programming. So in other words, the volunteer concept will not be destroyed, all we're doing is attempting to enrich their present programs that they're running in the communities.

Also, at the same time, Mr. Speaker, with the amendments that were brought in yesterday, we have provided for the continuation of a community organization running the recreation programs being provided in the community, on the insistence of the two Honourable Members that have just previously spoken.

So I think, Mr. Speaker, that we are going in the right direction. We are not going for government control. I personally do not believe in government control, but I do believe that we have to make a commitment in this particular area and this is exactly what we've done. I think there's going to be a few problems in relation to change with the program, of providing money at the local level rather than having it distributed at the territorial-wide level as we have in the past in totality, but once those are ironed out, I think the program should work well, Mr. Speaker, and I think it should work to the benefit of the people of the Yukon so that we can get the small communities in the outside regions involved in recreation and participating with other Yukoners in the various recreational endeavours they want to pursue.

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

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

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

Hon. Mr. Lang: Yes, Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 10 do now pass and the title be as on the Order Paper.

Mr. Speaker: Is that Bill Number 12?

Hon. Mr. Lang: Bill Number 12.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Porter Creek, seconded by the Honourable Member from Whitehorse North Centre, that Bill Number 12 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I shall declare the motion is carried and that Bill Number 12 has passed this House.

(Motion carried)

Madam Clerk: Third reading Bill 15, An Ordinance to Amend the Local Improvement District Ordinance.

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

AMENDMENTS TO BILL 15, FIRST AND SECOND READING

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West, that the amendments to Bill Number 15 be now read a first and second time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that the amendments to Bill Number 15 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 is carried.

(Motion carried)

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

The Honourable Member from Whitehorse North Centre?

BILL 15 - THIRD READING

Hon. Mr. McKinnon: Mr. Speaker, I move, sec-

ended by the Honourable Member from Whitehorse West, that Bill Number 15 be now read a third time.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse North Centre, seconded by the Honourable Member from Whitehorse West, that Bill Number 15 be now read a third time.

The Honourable Member from Kluane?

Mrs. Watson: Mr. Speaker, this Bill, I think a lot of us look at it as though they're just routine types of amendments, but actually there was some major policy changes in the Bill by the mere fact that the Local Improvement District Boards will now be going to five members. It's a completely new concept and will be, I'm sure, adding to the ability of the board of trustees to function and also will certainly, I'm sure, improve the manner in which they are able to function.

I'm very happy to see this major change being made in the legislation. I do have some concerns about the sections regarding the elections for boards of trustees in the L.I.D.'s and I am rather dismayed and I know that a lot of people who are acting as trustees on, for L.I.D.'s when they look at the pages and pages of procedure that has to be followed to carry out an election, I'm sure that they'll have a few misgivings also.

I can understand why a more program type of election has to be held, but I am afraid that I can't agree with it being quite that sophisticated and, as I've stated in the House when we were discussing these various sections, that I'm very hopeful that the Department of Local Government, in the first few years in the operation of this section of the Bill, will be providing as much guidance as it's possible to do in order to provide some sort of a pattern in the communities so that they can take over the operation of these very, I would say, complex type of regulations.

But, Mr. Speaker, I am pleased with the rest of the Bill and, Mr. Speaker, I will be supporting it.

Mr. Speaker: Is there any further debate?

The Honourable Member from Whitehorse Riverdale?

Mr. Lengerke: Yes, Mr. Speaker, I won't add too much more to what the Honourable Member from Kluane has said. I'd like to compliment the Minister of Local Government though, on the Bill. He did provide the amendments that certainly were suggested by the House and they came through very nicely and I don't think he had too much trouble in getting support for the Bill.

I do have some problems with the elections portion of the Bill as well. It's not because of the Local Improvement Districts Ordinance, I think it's a straight lift-out out of the Elections Ordinance and I think it's time that we did take a look at the Elections Ordinance and someday open that up for a good study and debate.

I realize that the system that is provided in our Federal statutes and the provincial jurisdictions is quite antiquated and no matter if you're dealing at a municipal level, or what, when you're dealing with the Elections Ordinance there is usually some problems. I think I was discussing with the Legal Advisor one day, and he indicated to me, he said you know, that is a pretty antiquated piece of legislation and someday maybe it

should be overhauled.

Mr. Speaker: The Honourable Member from Hootalinqua?

Mr. Fleming: Yes, Mr. Speaker, I only have a very short comment, because I do think as the Members have said, the Member of Local Government has done a fine job of bringing this forward. It's what we asked for and I think we've got it. There was one item that I think we slipped by yesterday very quickly and it never even was spoken much about it, and that was actually what they may be paid for their work. I'm sure their work is going to be a lot more with all the elections, the handle and so forth and so on. This, I noticed, nobody seemed to worry about that at all.

Reading it last night, I was a little apprehensive about just the way it is written out as to how much you would get, but other than that, Mr. Speaker, I concur very strongly with the Bill.

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

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

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

The Honourable Member from Whitehorse North Centre?

Hon. Mr. McKinnon: Mr. Speaker, I move, seconded by the Honourable Member from Whitehorse West that Bill Number 15 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 North Centre, seconded by the Honourable Member from Whitehorse West that Bill Number 15 do now pass and that the title be as on the Order Paper.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

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

(Motion carried)

Mr. Speaker: Bill Number 15 has passed this House
The Honourable Member from Pelly River?

Mr. McCall: Yes, Mr. Speaker, I would move Mr.

Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Mr. Fleming: I'll second that motion.

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 resolve into Committee of the Whole.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?

Some Members: Agreed.

Mr. Speaker: I 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.

First consideration this morning will be the Green Paper on Bid Differentials for Northern Enterprises. It's housecleaning time.

Do all Members have their copies?

Mrs. Watson?

Mrs. Watson: Mr. Chairman, I don't know who the specialist is in the House on this that we can question, but I am wondering just what, exactly what contracts would this Bid Differential apply to?

Paragraph three states that the instructions have been given by the Department of Indian and Northern Affairs and they apply on construction and selected service contracts funded by D.I.A.N.D., and include those entered into by the Government of Yukon on behalf of D.I.A.N.D., construction contracts under the Engineer Services Agreement.

Would these contracts also be some of our capital programs contracts and if anyone has any idea of what they mean by "selected service contracts"?

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, I would hope that somebody was here that might be able to answer some of these questions, such as, I would like to ask who the contracting authority actually is and who's going to be that contracting authority? If anybody can answer these questions then we would, I think, get on with it?

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, the person who should be questioned is the person who signed the Green

Paper, the Assistant Commissioner Executive, Mr. Gillespie. Unfortunately, Mr. Gillespie is presently conducting interviews for a Game Director's job.

Mr. Chairman: Is he going to be available, Mr. McKinnon, do you know if he'll be available this afternoon?

Hon. Mr. McKinnon: We can certainly find out, Mr. Chairman.

Mr. Chairman: Because our time is limited as far as consideration of this is concerned.

We'll defer further consideration of this until we have more knowledge.

We will then go on to the White Paper on Decentralization.

Ms. Millard?

Ms. Millard: Mr. Chairman, if I could request that this remain in Committee for our Session in Dawson City, if I could have concurrence of Committee for that?

Mr. Chairman: Does Committee agree?
Mr. Berger?

Mr. Berger: Mr. Chairman, that Session in Dawson City, I'm afraid won't be long enough to discuss a serious matter like this.

I would be against concurrence of the request by the Honourable Member from Ogilvie because it's a serious matter and I think we should take the time when we have it here in the House. When the Session is going to be in Dawson, there's going to be all sorts of activities going on and probably some of the Members won't be available, or maybe we are going to adjourn early and there won't be any discussion at all.

I think this matter is too serious and we shouldn't leave it in the House to wait until we get up to Dawson City. We should discuss it now.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I do think it's very serious and I think it involves the people in Dawson to a great extent, particularly since the City of Dawson has been making representation to the Government on this concern, and in fact I've been tentatively lining up a witness from the City of Dawson to speak to the Motion-- or speak to the paper if it were done in Dawson City. As far as I know, there isn't any work lined up for Dawson City and I was just hoping it could happen there, where it really is of great importance to the people.

Mr. Chairman: Ms. Millard, if you'd like to propose a motion to that effect and then we could have the opinion of Committee...

Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, it's my understanding that at least some of the Members will not be able to attend that particular Session in Dawson due to other commitments, so I would suggest that we carry on with discussing the matter here.

I have to agree with the Member from Klondike; I think it is a serious matter and I think that I, personally,

do believe that it should be discussed fully rather than try to keep it within a time-frame of a couple of hours or whatever time it takes.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I certainly hope we are not going to discuss it more than a couple of hours, because it is a very simple concept. However, I would request that we have Mr. Gillespie as a witness and again we'll have to ask him if he'll come for this, so we'll have to defer it at the moment anyway.

Mr. Chairman: Okay, does Committee concur then that we leave this until Mr. Gillespie is available?

Ms. Millard: Mr. Chairman, that is if everyone seems to think we have to discuss it in Whitehorse. I would certainly still much prefer it be discussed in Dawson.

Mr. Chairman: Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, I understood that the Session in Dawson was to celebrate the 80th Anniversary, 75th Anniversary, celebrations of the City of Dawson, and I can assure the Honourable Member that the Government is thinking of legislation and some legislation that will be very applicable to the City of Dawson, though it will be minor legislation for that Session and to help Dawson celebrate that 75th Anniversary.

I have a little problem of thinking of going to Dawson on something that is obviously going to be controversial, of a controversial nature, and that we will obviously need witnesses and support staff coming from Whitehorse to be able to discuss it properly. That wasn't, to me, the concept of the celebration of the 75th Anniversary of the City of Dawson through the sitting of the Legislative Assembly in Dawson.

I know that some Members have indicated that they are not going to be available for the Dawson Session and they have also indicated that they are interested in this discussion of the Decentralization, so I have a lot of problems in going along with the concept that this should be one of the items for discussion at the Dawson Session, Mr. Chairman.

Mr. Chairman: Ms. Millard.

Ms. Millard: Just the same comment on that, I think it's most appropriate that we respond very seriously to the City of Dawson's request that Decentralization be taken seriously and so I see that, if we're going to be going to Dawson City simply as a fancy gesture, that we aren't really responding to the City of Dawson in the way that I feel we should on this matter.

Still, and the witness I've requested, Mr. Gillespie, who has written the White Paper, will be in Dawson at the time so there's no problem as far as witnesses are concerned.

Hon. Mr. McKinnon: I just wish the Honourable Member from Klondike and the Honourable Member from Ogilvie would get together on why we are going to Dawson, because I hear a completely different attitude

from the Honourable Member from Klondike than I do from the Honourable Member from Ogilvie. If we're going to get into a controversy just on whether we're going to go and what we're going to do in Dawson, maybe it's better off that we forget the whole concept, Mr. Chairman.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, it's unfortunate that this is on in this route. I can understand the Honourable Member from Ogilvie being very concerned; it is a very important question for Dawson City but I think they have to be very careful. We could be setting a precedent when a controversial or very important topic has to be debated regarding a certain centre, or a certain area in the Yukon; we might, by doing this, be setting a precedent and various communities may be expecting us to sit in these various communities.

For example, if we would be discussing the Cottage Hospital at Faro when it comes up for debate, it could well be that the Faro Board of Health would request that we have our discussions and debates there at Faro so that they could make direct representation; so we might just be setting a precedent.

I was very hopeful, or it was my understanding, that when we agreed to go to Dawson it was just in recognition, it's almost a ceremonial trip, in recognition of their 75th Anniversary, so I personally feel that I think it should - Decentralization should be discussed here in the House where every other business of the House is usually discussed.

Mr. Chairman: I think the consensus of Committee is that it, indeed, should be discussed at this time, when Mr. Gillespie is available, so we'll defer consideration now on it until we can find Mr. Gillespie.

For consideration, we have Bill Number 17, Second Appropriation Ordinance, 1977-78.

It is the opinion of the Chair that Committee is not competent to deal with this Ordinance until we have received the money message from the Commissioner and so I would request that a Member of the Executive Committee obtain such message before we can consider this Bill.

We'll go on to Motion 2, that was passed into Committee this morning.

It was moved by Ms. Millard that it is the opinion of this House that the Administration should request the Honourable Romeo LeBlanc, Minister of Fisheries and Environment, to look into the possibility of immediate environmental impact studies on the building of the Dempster Highway, particularly concerning impact on the Dempster caribou herd.

Ms. Millard?

Ms. Millard: Mr. Chairman, I have made requests since there was some questions brought up this morning concerning the various reports that have already been done on the Dempster and the need for other reports, et cetera - I've made a request of the Assistant Commissioner, Mr. Gillespie, since there is no Director of Game, to have the Acting Director of Game come as a witness, and, apparently, he's standing - I tried to phone him to let him know what time it might be; he was talking to Mr. Gillespie, so I'm sure he's prepared to

come if the Committee...

Hon. Mr. Lang: Mr. Chairman, I don't know what the procedure -- I know what the procedure has been in the past, but it appears to be changing. I was always under the impression that, if an Executive Committee Member was responsible for a particular portfolio, that he or she appear before Committee.

Ms. Millard: Well, Mr. Chairman, as far as I understand, Mr. Gillespie doesn't feel competent in this area. He doesn't have a degree in biology on the caribou and Manfred Hoefs certainly has far more knowledge of the situation, but of course, we can wait for Mr. Gillespie if that's...

Mr. Chairman: It certainly is Mr. Gillespie's responsibility to answer for it, Ms. Millard.

Mr. Chairman: It would appear that we have a number of items that are ready for consideration when people are available. I would suggest that, because of the various problems that we have, that we recess until one-thirty.

(Recess)

Mr. Chairman: I call this Committee to order.

As the first order of business, we will consider Motion Number 2, and for this purpose we have as witnesses Mr. Peter Gillespie and Dr. Manfred Hoefs, Acting Director of the Game Department.

I'll read the Motion. It was moved by Ms. Millard that it is the opinion of this House that the Administration should request the Honourable Romeo LeBlanc, Minister of Fisheries and Environment, to look into the possibility of immediate environmental impact studies on the building of the Dempster Highway, particularly concerning impact on the Dempster caribou herd.

Ms. Millard?

Ms. Millard: Mr. Chairman, there may seem to be some questions this morning concerning various studies that had been done on this very subject and whether or not any more were needed and so on, so the witness may be able to answer these kinds of questions.

Perhaps I could start off. I know of only two environmental studies done on the Dempster Highway. The environmental overview of the Dempster Highway by, I believe you pronounce it Tywoniuk and Inglis; and another one, an environmental impact study of the Dempster Highway by Schultz International. If it would be possible to ask the witness for his, either one of the witness's, professional views of these environmental studies and whether they are sufficient to meet the needs of today's problem.

Mr. Chairman: Specifically what environmental studies are going on and what is their purpose?

Ms. Millard: Excuse me, Mr. Chairman; these studies have been done. One was done in 1974 and one was done in 1972. There are none being done presently, as far as I know, but that could be another question.

Mr. Gillespie: I would like to rely on Dr. Hoefs, if I

may, if he recalls those particular studies and for his assessment of their value.

Dr. Hoefs: So far as I know, only those studies have been made, you're right, and I have to admit that I got very short notice about this meeting and I couldn't prepare for it, but the quality of those studies was not too good. In those studies, several recommendations were made to D.P.W. to follow them up with more detailed studies.

In particular, there was very little work done on the possible effects of the Dempster Highway on the Porcupine caribou herd.

As far as I know, the short study was based on only one week interviewed by the researchers and that was done in summer and the caribou were not there.

Mr. Chairman: Ms. Millard.

Ms. Millard: Mr. Chairman, so the witness has said that these studies do recommend further studies themselves. I wonder if the witness could give us his personal assessment to tell us whether or not he feels that further study could be beneficial?

Mrs. Watson: Mr. Chairman, on a point of order, you don't ask him to give his personal -- you could ask him to give his professional point of view, but certainly not his personal.

Ms. Millard: Mr. Chairman, I will change that to professional point of view.

Mr. Chairman: Dr. Hoefs, what is your professional point of view regarding ...

Dr. Hoefs: The Games Branch is doing research -- it has started doing research now. We have one man year in the current fiscal year and up to one man year casual help, if necessary, to study the Porcupine caribou herd and much of that work will be done along the Dempster in winter and we hope to expand that study in future years.

Mr. Gillespie: Mr. Chairman, if I may just add to that, we believe as a government, on the basis of additional advice from the Game Department, that more than just that amount of work is required on the Dempster Highway and we have, in mid-December last year, written to the Canadian Wildlife Service, which comes under Mr. LeBlanc, seeking co-operative assistance from that Service to expand our research work along the Dempster Highway.

We received an expression of interest from the Canadian Wildlife Service, but no concrete support, the reason being that they lacked the funds to provide that support in this fiscal year. They did not close the door, though, for the future and I think will be more than ready, or have indicated to us that they are more than ready, to discuss co-operative studies such as they have with the provinces, which they generally do on the invitation of the provinces to help a province or a territory to do this kind of research work.

So, I am hopeful, or we are hopeful, that next year they will see fit to allocate some of their funds for this kind of purpose.

I would add that a motion of this sort would only assist us in coming to the Minister of Fisheries and Environment to help to persuade him to allocate the resources to help us out.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Thank you, Mr. Chairman, a question for Mr. Gillespie. I think I even addressed this same question to the Commissioner the other day and possibly you could answer it again.

On April the 13th, this House passed a Motion regarding increased manpower and facilities for a game research project along the Dempster Highway and certainly, with respect to the Porcupine caribou herd and other related problems. In that motion, we suggested that the Territorial Government look at other means of providing that increased manpower and facilities suggesting federal input.

This morning in this motion being presented, the question arose that possibly the two are one and the same. It appears from your answer to the Honourable Member from Ogilvie, that in fact you have initiated some discussion with the federal government to provide further input into this kind of a study. My question is, as a result, are you going to be able to have the increased manpower and facilities to get this thing going this year, this summer?

Mr. Gillespie: It appears at the moment, Mr. Chairman, that we will not, from the federal government having the additional assistance unless, somehow or other through the Alcan Pipeline Hearings, funds should become available to look into the prospect of a pipeline down that area and that would - perhaps - down the Dempster Highway, I mean, as a trunk line, that would provide us with some funds to help us look into the habits of the caribou herd in that region.

That is rather a tenuous approach to getting funds for this purpose and I am not too hopeful that we can. As I say, we have approached the federal government, we have received a "no" answer for this year and it is perhaps worth a try again now that we have had this expression of view from this House.

Mr. Lengerke: Right.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just a follow-up to that, specifically, what departments, Mr. Gillespie, did you go to in the federal government or did you just do this through the Department of Northern Affairs?

Mr. Gillespie: Well, two departments, one is the Department of Environment, Fisheries and Environment and the other is Northern Affairs. I forgot to mention and I have just been reminded of the fact that we have also approached the Department of Indian and Northern Affairs on their road side for funds to do more research into the Dempster Highway and its effects on the caribou herd and bring an answer right now from them. They've also been, the same group has been up to Old Crow and Old Crow has encouraged them to allocate funds for the same purpose.

So, we haven't had a "no" answer from them yet,

we've just had a "no" answer from Environment.

Mr. Lengerke: Okay.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I wonder if I could ask how many years would be required to do a proper study of this type, considering the fact that you are going to have to look at a herd over a number of seasons and reproductive rate and all the other aspects. I assume, and, Mr. Chairman, would the witness try to describe to non-professionals such as I, how you measure the impact of a proposed pipeline on living animals.

Dr. Hoefs: As far as the first part of the question is concerned, it is generally considered that a study on a large animal, like a caribou, would take three to five years and particularly caribou, which are very unpredictable animals. If I may give you an example, we have been monitoring the harvest along the Dempster since I joined the Game Branch, which was in '72, for the past five years, and there were lots of caribou in the first year and then for three years, hardly any were harvested and we already assumed that it was the Dempster who created a change of their migration routes and winter ranges to the west into Alaska, until this year when they showed up again.

So you couldn't base anything on three years' observation and for that reason, we think we need a long term study.

As far as the pipeline along the Dempster is concerned, that is relatively new to me. I didn't know about that issue until recently, but I assume that there will be studies done, just like they have done studies for the northern pipeline routes and for the Alaska pipeline route.

In general, I think that a pipeline is probably less harmful than a highway because once it's buried, it is, it's gone, there's no further traffic as we have it with a road.

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

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, to follow up that question of the Honourable Member from Whitehorse West, I think the phrasing should have been, it's not the pipeline because I also assume that the pipeline would be buried in most of the stretches of the highway, but what's the impact of building the pipeline? I mean there's masses of people, there's masses of machinery and trucks and everything that's going to frequent the highway. What possible impact could that have on the caribou herd?

Dr. Hoefs: Mr. Chairman, if an impact study is made, one of the recommendations that can be expected from this study is how this construction will be faced to interfere least with the caribou. For instance in the southern part of the Dempster, there would be very little interference if the construction is done in the summer when they are in the North.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I'd like to ask the witness, in his professional opinion, whether there would be more damage done by a pipeline or by the highway which is now going through?

Dr. Hoefs: Well, I pointed out already that it depends very much on how the construction of the pipeline is phased. It could be phased in a way that it has very little interference with the caribou and as far as the highway is concerned, again, it depends on how it is used.

We know that the area bisected by the highway is very little used by caribou in summer and if most of the transportation along the highway is done in summer then there will be very little interference with the caribou.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, then in his professional opinion, would the witness recommend that certain rules or regulations be set down at this point on the phasing in of the various uses of the highway as it is now, and as it will be when it's built.

Dr. Hoefs: Mr. Chairman, that is one of the purposes of our study, to determine just that.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, maybe the question was asked already when I wasn't in the House, but Shultz International recommended in his one week study on the Dempster Highway that there's going to be a whole lot of follow-up studies to be done and I would like to direct the question to Mr. Gillespie if I may, Mr. Chairman. Since this was DPW who is building the highway, it's a federal government project, and it was loaded onto the Territorial Government, shouldn't it be the responsibility of DPW to conduct these studies?

Mr. Gillespie: Mr. Chairman, DPW constructs these roads, or at least the roads in the North, on behalf of Indian Affairs and Northern Development, so the question really should concern the responsibilities of Indian Affairs and Northern Development, rather than DPW.

Indian Affairs and Northern Development has been approached, by us, for money and research assistance to accelerate the research in that area in this regard, and they have also been approached by the people of Old Crow. They have not yet come back with their answer.

Mr. Chairman: Mr. Berger?

Mr. Berger: Mr. Chairman, then I would say that part of the blame I have to put on the Territorial Government administration, because it was me that brought in that report on Shultz International and I think if the people would go back in the Debates and Proceedings, the same request was made then and it was a year and a half ago.

Mr. Chairman: Are there any further questions for the witness?

Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I'm just looking at the motion that is before us as it relates to the motion that has already passed this House. I would just like to possibly have Mr. Gillespie elaborate a little further in relation to the -- I believe you referred it to the Canadian Wildlife Federation?

There is still a possibility that they would be prepared to cooperate with us possibly this year, is that not correct?

Mr. Gillespie: Mr. Chairman, the indications that they have given us is that they would not be prepared this year, because they lack funds, but they're prepared to discuss helping us, assisting us in this project next year.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: In relation to the two motions once again, I'd like to perhaps, direct another question to Mr. Gillespie. In the first motion, we have directed the resolution to the Game Branch, who is the authority and Game is a responsibility of this Government. In this particular motion that is being presented at the present time, it is straight to a federal department and would it be possible for a federal department to go and do a study on their own without going through the Game Branch?

Mr. Gillespie: Mr. Chairman, it's a good question. We would hope not. We would much prefer to see, and this has been our thrust and our approach to both federal departments, that any studies that are carried out are carried out in cooperation with us and essentially at our direction to the extent that this is possible to do.

Canadian Wildlife Service await an invitation from a territory or province before they undertake this kind of cooperative venture and do so on the terms requested by the jurisdiction and, in that instance, I have no doubt that they would do it in consultation and in cooperation with us. As a matter of fact, this is exactly the same attitude that the officials in Indian and Northern Affairs have used in their discussions with us, that they would do it in conjunction with our Game Branch officials rather than doing it independently.

Hon. Mr. Lang: But, Mr. Chairman, in relation to our status within Canada, and I don't want to get into that, it is a possibility if a motion were sent to a federal department that they could quite conceivably, if they decide to do it and have consent of the Department of Indian Affairs and Northern Development, they could come in and do it with really, not requesting the direction of our Game Branch. That is a possibility, is it not?

Mr. Gillespie: It is a possibility. I think we could avert it though by getting in touch with those departments before they moved in. I think they're becoming sensitized enough now to the Territorial position with regard to independent federal activity in the Yukon that they wouldn't do that, but certainly we would take steps to ensure that they did not.

Mr. Chairman, they need a permit from us before they're allowed to go in.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Well, Mr. Chairman, I had felt that this motion was redundant in view of the fact that this government has already instituted such a study, has already sought financial support from at least two other federal departments for such a study and would certainly be here to coordinate any such studies. However, if the Member responsible feels that there will be any impact from this House in another prod in the same direction, I have no problem.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, there is another resolution that was passed in this House, that virtually says the same thing as this motion and, really, by all procedural laws of this House, this motion probably should never have been allowed. So, what we're doing is just repeating again what the other motion very specifically and actually says in a much better manner than this additional motion. I would suggest that if the Member from Ogilvie is convinced, in her own mind, that the other motion does take care of it that she would consider just withdrawing her motion if she feels sure that the other one does fill the requirements that she wants filled.

Ms. Millard: Mr. Chairman, I thought at this point we were actually asking questions of a witness, not discussing this motion, but if we want to go ahead on that, that's fine.

I still don't see that -- it may be redundant in some of the meat of the motion but the purpose of it is to direct the opinion of the House to the Honourable Romeo LeBlanc, which the other motion simply states "It is the opinion of this Assembly that the Yukon Government provide or make arrangements for manpower and facilities required to complete the game research project."

That was the Game Branch research project and study that's being done. It really has no concern with federal studies and, as the witness has stated, the more the better. You know, I don't see why we have to get into this hassle because the more motions for the -- the more opinions that come from this House in support of some kind of environmental impact study on the Dempster, the better.

If you want to defeat the motion on that, I think that's your prerogative, but, Mr. Chairman, I feel that it is not redundant, that one is directing to the Game Branch and one is directing to the Federal Minister of Fisheries and Environment, quite a different aspect.

Mrs. Watson: Point of order, Mr. Chairman, both of them are directed to the administration, both resolutions. The resolution we are discussing now is directed to the administration, not to the Minister.

Ms. Millard: Mr. Chairman, it says that the administration should request of the Honourable LeBlanc that he look into the possibility of immediate environmental impact studies. That's quite different from asking the Yukon Game Branch to provide or make arrangements for manpower and facilities required to complete their own game research project.

Mr. Chairman: Are there any further questions for

the witness?

Mr. Gillespie?

Mr. Gillespie: May I make a remark? Picking up a point brought up by Mr. Lang earlier on, if this motion is going to be passed, I think it would be useful to amend it slightly to indicate that any such study should be done in cooperation with the Territorial Government, and that could be readily injected in the centre of the motion.

Mr. Chairman: Thank you Dr. Hoefs for your presence and your expert professional opinions. Are you ready for the question?

Some Members: Question.

Mr. Chairman: It has been moved by Ms. Millard; THAT it is the opinion of this House that the administration should request the Honourable Romeo LeBlanc, Minister of Fisheries and Environment, to look into the possibility of immediate environmental impact studies on the building of the Dempster Highway, particularly concerning impact on the Dempster caribou herd.

All those in favour?

Contrary?

The motion is defeated.

(Motion defeated)

Mr. Chairman: We'll carry on with the Green Paper on Bid Differentials and for this purpose we have appearing as witnesses, Mr. Al Kapy, and Mr. Clive Boyd, members of the Task Force on Northern Business Development.

Gentlemen, if you would like to come down to the witness chair.

Gentlemen, are there any comments that you would like to make regarding the Green Paper before we start firing questions?

Mr. Kapy: I suppose I could sum up in about fifty words here, or less, the basic philosophy or principle that is embodied in all of the some 42 recommendations of the Task Force, is a direction -- a suggestion for the direction of government spending so as to stimulate and create northern economy.

The suggestion is that northern companies owned by northern residents will result in profits remaining in the north and should consequently lead to greater economic development by encouraging the reinvestment of these profits in the North.

That is my summation.

Mr. Chairman: It was in fifty words, or less. Congratulations.

(Laughter)

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Thank you, Mr. Chairman. I'll ask a question of the witnesses.

As members of the Task Force for the Bid Differentials for northern enterprises and matters concerning northern contracts, I was going to ask you if you, certainly as members of that Task Force, have monitored

what has been going on lately with respect to federal contracts. Have in fact there been an increase in the awarding of contracts to northern contractors since the implementation of the policy, with respect to the federal government?

Mr. Boyd: I don't know that there's been an increase. I think the status quo is probably being maintained. Generally speaking, there has been a down turn in the amount of contracts.

Mr. Lengerke: Yes, so it's a little hard to -

Mr. Boyd: It's a little hard to evaluate this early.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: I'll just ask the question then of the witnesses. Would you like to see the same kind of policy implemented in Yukon as far as Territorial Government contracts are concerned?

Mr. Boyd: Yes, definitely.

Mr. Kapy: Perhaps one comment that I didn't add that should have followed my initial comments, the spending of Government funds, be it government, or funds spent by the private corporations or individuals, private companies or individuals, in the best studies of the Task Force seem to reveal a multiplier effect, economic multiplier effect, of some seven times so that the comments that I made earlier naturally follow that \$100,000.00 contract awarded to a northern company would create \$700,000.00 amount of business.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just in follow up to that, Mr. Chairman, the Green Paper that we were given and I don't know if the witnesses have had an opportunity to see it, but on the back of it there was an attached opinion and it said, "preferential treatment for northern contractors" and then it brought out some of the negative aspects, like it said it invited abuses and certainly as people in private enterprise, in business, I'm sure that that kind of comment would mean something to you and I'd like to get either one of your reactions to that, if in fact you, as members of the business community, feel that this would invite abuses.

Mr. Chairman: Mr. Boyd?

Mr. Boyd: Abuses are certainly possible. Probably more than possible, they are going to become common. I don't know of anything you can put into the English language and put on print that somebody can't circumvent or at least endeavor to circumvent.

Needless to say, the southern contractor, if that's a good definition, is going to take a look at his situation, see what he can do to qualify, take the least action possible to qualify and hopefully qualify, or at least endeavor to qualify.

If he has to skirt around the law in some minor ways, I'm quite sure he'll endeavor to do that. But like I say, I don't know of any way of putting the English language down that somebody can't figure out a way of circum-

venting it.

Mr. Chairman: Mr. Kapy?

Mr. Kapy: I might just follow on by saying that that perhaps has gone on, is going on and will go on. It's just like Clive has said.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, of the witnesses, this Green Paper also is quite critical. It takes a negative attitude towards preferential treatment for northern contractors and yet the Green Paper that we had from the Government just alludes very briefly to the fact that Provincial Governments are in fact assisting through various means, business establishments or firms, based in the Province. How do the Provinces or other jurisdictions go about providing special or preferential treatment to their firms?

Mr. Chairman: Mr. Boyd?

Mr. Boyd: The Province of Quebec is probably the most notorious. They just specifically state you shall be a member or a resident contractor in the Province of Quebec or you shall not bid on Quebec-type work. The other Provinces, they use a method, contractors' sales tax. We in the Territories or anywhere else in Canada do not pay Provincial Sales Taxes. If we were to bid into any of the Provinces that have sales tax, we would have to pay the sales tax on all of the equipment and monies and so on expended into that area.

In the case of British Columbia, they have a seven per cent bid differential right now, just through the application of their sales tax. Most of them are doing it and generally speaking, it's either hidden or it's disguised.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, just to extend that a little further, I believe it is the practice in some Provinces, including Ontario, if Mr. Boyd could correct me, to require a residency clause before a business licence is issued even, so that no one from outside the Province can establish themselves in that business unless they do it through a local firm or wait a certain number of months prior to opening a new one.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I wonder if we could have an opinion on that kind of approach, generally, instead of just bids on contracts.

Mr. Chairman: Mr. Boyd?

Mr. Boyd: An opinion on that kind of approach, I was reading an article here a little while ago, Quebec had this type of qualification. There was a statement made that Ontario, or the legislation is nothing more than a licensing mechanism for Ontario contractors. In other words, they set up a phoney residency, an occupancy, they acquire their licence, they may even use a Quebec

firm to front for them and so on and so forth.

Like I say, it is happening throughout Canada in all jurisdictions, so to speak, in one form or another and I think it only viable that the Yukon have the same protective mechanisms for the businessman.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: I don't have the information which would make it simpler for me to respond to this kind of paper, and that is a breakdown of the number of contracts awarded, for example, in the last five to ten years. The percentage awarded to contractors from outside the Yukon and the percentage awarded to locals, but perhaps we have that information here.

Mr. Gillespie: We don't have it Mr. Chairman, I'm not sure whether the Task Force gained access to that kind of information in the course of preparing their recommendations or not.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: To follow up on that, Mr. Chairman, that was going to be my question and I see here in the paper that was provided us, it says, "In reviewing contracts entered into by the Government of Yukon for 1975-76, we have found that total contract dollars awarded to Outside firms, now that's excluding those contracts on which no local bids were received, was 29 per cent. So you must have had some statistics and I'll say this to Mr. Gillespie, in order to compile that. My question to the witnesses would be then, and maybe it's a little hard for them to reply, would this not be a fairly healthy figure of Outside participation, 29 percent?"

I am concerned, as all of us here are concerned with implementing this kind of bid differential system in Yukon, and when we see that this is the kind of participation, maybe it's really not too bad. Maybe Yukon firms are vying quite well. I don't know.

Mr. Chairman: Mr. Kapyt?

Mr. Kapyt: I have a question on the Green Paper, of the writers of the Green Paper. Excluding, to quote from it, "excluding those contracts on which no local bids were received", immediately raises the question in my mind, what was the total amount of spending and what is the dollar figure for that exclusion? Perhaps the 29 per cent is now suddenly a 40 per cent or more figure.

Mr. Chairman: Mr. Gillespie.

Mr. Gillespie: The point here, Mr. Chairman, is that there were no local firms that chose to bid on these and therefore, if they were a bid differential, they wouldn't have affected the situation at all as I understand it and therefore the relevant figure is just how many contracts were let outside where there was a Yukon firm that wished to bid and did not get it and that's the figure, 29 per cent, in dollar terms. I can't tell you in terms of numbers of contracts. It could be developed, but I don't have that information, it has not been compiled.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, that's leading us into the chicken and egg situation. You may have firms here that would be able to bid on such contracts if they knew they were going to be receiving them and they would then invest capital into the kind of equipment required to bid and you go round on that one forever. It's the same as my perennial argument about this government giving printing contracts locally and the government's argument that the printers here don't have the kind of equipment. All right, you know, the same situation, Mr. Chairman.

But I think the point I'm trying to get at here is how many local contractors require such an incentive in order to remain viable in their business here? Just to receive some reaction from the witnesses, Mr. Chairman, I'm going to put it this way, has the day when you got out and hustled to get a contract and worked your butt off to make the bucks, been replaced by an easement in this kind of preferential treatment?

Mr. Chairman: Mr. Boyd.

Mr. Boyd: No, Mrs. Whyard, it has not. At least it has not for the major contractors and I think when we're talking about a bid differential, I think we're talking about minors. I think we're talking about lesser firms and much younger firms. Firms, who to the credit of the Yukon, are trying to become established in the business and who can and will become viable if they're given some primary assistance.

In earlier conversations with my colleague here, Mr. Kapyt, I stated that in my lifetime in the industry, I don't think there are two or three bids in a kind of lifetime in the industry, where it would have made a difference in my endeavours or in the companies I worked for in their endeavours, but with the small person, if we just cannot deal with the smaller, the contractor in Whitehorse, we have to consider the contractor in Watson Lake, we have to consider the contractor in Dawson, Inuvik and, you know, the whole of the northern span is what we're talking about. These are raw communities, they're almost frontier type communities, they're endeavouring to become viable. They don't have on-going work, they don't have the forces to retain staffs year round and maintain premises and so on, and if they are ever going to become viable, they're going to need some initial help.

The recommendation that we're discussing here, made by Mr. Buchanan, was on a three year experimental basis only. It was to try it to see if it would help them. If it does help them then perhaps it's worth further consideration, but initially it's on a three year experimental basis to see if it will have an effect on the northern entrepreneur.

Mr. Chairman: Mr. Lengerke.

Mr. Lengerke: Mr. Chairman, yes, just to follow upon Mr. Boyd's comments. He mentioned primary assistance to smaller contractors and I think I probably would concur that that is the case, but I also would like to know if the task force, and I'm sure they did, I'd like to hear their reactions now, considered other things like, possibly, a lesser system of bonding and tendering procedures that we so often hear is the problem with respect to the smaller contractors, rather than the bid

differentials, because I've heard them say that, you know, it doesn't matter, as long as we can get our bid in, we don't care if there's a bid differential, but the thing is that we can't even put together a bid in the first instance. And I'm sure that in the task force's work, you must have discovered something there and is that a valid point or did you consider it?

Mr. Chairman: Mr. Boyd.

Mr. Boyd: Yes, Mr. Lengerke, we certainly did. There are forty-two recommendations, there are some similar number in the task force recommendations and they do not, of course, include the ones that might have been rejected. Of course, one of the ones that was rejected was a reduction in income tax for corporations and residents and non-entrepreneurs, if you like.

We did take a very long and serious look at the bonding and the insurance qualifications and so on and that is a very difficult problem. The bond is the guarantee that the client has that the work will be done according to the specification and within the price quoted and that is the only guarantee it has. If you remove it or reduce it, you're actually removing or reducing the guarantee.

If the Government would subsidize the bonding and make it possible for small independent contractors to get bonding through the Government, they would actually be defeating their own purpose, because they in that case are the client and they'd be undercutting their own guarantees.

It's a problem throughout all of Canada; it's a particular problem in the North and in the Task Force we did not come up with a solution to the bonding problem.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I have a question for the witnesses on two points actually. In this day and age of subsidiaries, wouldn't it be a possibility now of a larger construction company, I am thinking particularly of construction now, to create a subsidiary in the Yukon strictly for the purpose to get a ten per cent gain in the bid differential?

The other question I have is on a local level. It was really more to the heart of the population of the Yukon, especially the small contractors as was mentioned in Watson Lake, Teslin, Dawson City or Haines Junction, wherever they may be, the cost of living in those areas is much higher than the cost of operating in those areas; roughly, to speak for Dawson, it is about eighteen per cent higher than Whitehorse. Shouldn't there be a bid differential also considered on the local level?

Mr. Chairman: Mr. Kapy?

Mr. Kapy: Answering the first point, Fred, the store front or mail box subsidiary would exist only if the contractor wished to break the law and swear a declaration that is not correct, is not true. This is what Mr. Boyd alluded to earlier, that people perhaps have made those improprieties in the past and may continue going about doing them.

The question of a bid differential for the centres outside of Whitehorse perhaps is answered to some degree in the other resolutions of the Task Force. Just to cite one, for instance, there is a resolution suggesting that

Public Works, capital works, be advertised principally in the area in which that works is taking place if it's below a certain value. If you're going to build a \$50,000.00 project in Dawson City and the entrepreneurs of Dawson City have the capability of meeting that, then the principle point for invitation of tenders for that Public Works should be Dawson City; secondly, other points in the Yukon.

So with the hardships of a contractor or a supplier of services in the outlying area he would in fact be given the advantage. He would have the plans made available to him in his base of operations, not at Whitehorse. I might point out, there are, of the 42 recommendations, all intertwine to some degree with this bid preferential recommendation that is the subject of the Green Paper in the same manner in which I've just replied to that question.

Mr. Chairman: Mr. Berger?

Mr. Berger: I find it very interesting. I would like to thank the witness for the answer.

I would like to ask Mr. Administrator, if I may ask, Mr. Chairman, if those 42 recommendations are anywhere showing, especially the concern on the small contractors compared to Whitehorse in the outlying areas?

Mr. Gillespie: I would have to refer to my department to get the precise answer to that. I'm not sure just where that recommendation stands. It is a continuing exercise at the Federal level to examine the various recommendations and we're beginning, in dribs and drabs, to get answers with regard to their position.

We have not had answers to all of them, and I'm just not acquainted with the answer to that particular one, I'm afraid.

Mr. Chairman: Mr. Berger?

Mr. Berger: Mr. Chairman, I'm particularly referring to Territorial Government contracts on a smaller scale. Is the Territorial Government doing anything to help the small contractors in the outlying areas, outside of Whitehorse?

Mr. Gillespie: The first question that the Territorial Government chose to address is this one, the question of bid differentials. That's the one that affects Yukon business generally. If we move on this, it would be a logical step then to address the question about regional distinctions and preferential treatments. I don't believe that we, or at least we don't have any overt, laid down policy giving preferential treatment to outlying communities or to the communities in which the work is to be undertaken.

Mr. Chairman: Mr. McKinnon.

Hon. Mr. McKinnon: I'm not actually one of those in the House who are turning cartwheels for celebration and joy over giving preferential treatment for northern contractors. I've always felt and I know the situation of the two firms that the witnesses are involved with and, in my career as a businessman in the companies I was involved in, I always felt that it was rather a matter of pride that being innovative and efficient and knowing

the local situation and taking advantage of it that we could meet with the best in Canada and compete with them and come out making a few bucks for our company. I always thought this was kind of a matter of pride. We didn't need to have any of these northern preferential treatments to contractors.

I just have to say that any businessman in Yukon who has run a company on innovative ideas, who has been efficient, who has been willing to work hard and who has known the local situations and studied it and applied his knowledge of that local situation to it, I think they've all made a buck. I think they've all made a pretty good one and they can stand up and say, you know, we didn't have to have any preferential treatment. We could compete against anybody in Canada and we could still come up for our shareholders and come up for our personal pride and some money ahead in the pocketbook, too.

I don't know, I worry about these types of things. I'll be candid about it, I think that we may have an overall inferiority complex in Northern Canada that I don't think we need. I think we can meet, compete and stand up with the best in anybody. I know the firms that the, as I say, the witnesses are involved in, how well they've done because of their abilities to do these types of things. I'm just not sure and I'm torn of two minds that this is really the way to go and I'd like comments from the witnesses on these ideas.

I'd rather think that these are ad hoc measures, that if we had a firm economic development policy of where the North was going perhaps we wouldn't have to fool around with ad hoc measures like these and worrying about little contractors in local areas throughout the North. I am of two minds, I don't mind admitting it, on this preferential treatment for northern contractors. I think that if the people are good, if they are efficient, that they know their business, if they're willing to use their northern experience, willing to use the innovative ideas, I know you have them, and we have, that we're going to make out all right in Northern Canada and, by God, I'd like to be able to stand up to the giants and say we did it because we were smart enough and intelligent enough to take advantage of the situation, the local situation. We didn't need any preferential help from anyone.

Mr. Chairman: Mr. Boyd.

Mr. Boyd: I must reply to that. Mr. Kapy and myself and the firms we represent were here, and have been for quite some time, and the recommendation at this point has not been applicable to us. It may and it may not, but we on the Task Force were charged with helping those who were less fortunate than the companies we represent. There are a lot of small businessmen. We met these businessmen throughout the North, in all communities, and this was the hue and cry of all of them. They had to have some kind of advantage and, I agree with you, Mr. McKinnon, I would like to see policies that give us a growth rate and the viable businessman will make it work and he will succeed.

We don't always have those things and, as I say, we're charged with helping those that were less fortunate and particularly in the other Territories which don't have the advantage at this time that the Yukon has. These recommendations, this particular recommendation, came from far and wide. Every community we visited

asked for this type of assistance.

I think we only visited three communities in the Yukon and again the hue and cry for preferential treatment was raised and, you know, I point out that it's not the firms that we represent that we're trying to help with this type of recommendation. Believe me, that's the last thing we need.

Mr. Chairman: Mr. Kapy.

Mr. Kapy: I'd like to add just a few words to that. The Green Paper makes reference there to the briefs which the Task Force received from Yukon and it goes on to say that no specific reference is made by Yukon companies to this subject.

In the meetings that the Task Force held in the Yukon, minutes were taken, not official minutes, no recordings were made, of the deliberations of our public meetings. The participants in the meetings were people, they're small businessmen and large businessmen and individuals, that came out and spoke their mind on their various problems.

It was interesting to note, from our first meeting in Watson Lake to our last meeting in Rankin Inlet, the very same basic principles came out. There were about five or six basic principles came out and the very first meeting identified them, and in each six meetings or each nine meetings, pardon me, as if by orchestration, echoed each one of these principles.

Just to give you an example of the chicken and egg game that Flo referred to here a little earlier, the skidoo dealer in Frobisher Bay could not do a nickel's worth of business with the Federal Government of the Government of the Northwest Territories simply because all of the purchasing of spare parts and new skidoos was made in Montreal, shipped in on a sea-lift, and that was it. If all of the wrong spare parts arrived, well, they'd just have to get in another stock of spare parts by air or whichever way they did it.

Whereas, here was this little individual struggling, he was doing this as a night-owl or doing it on the side, he was an employee I believe of one of the governments but this was his own private business. There was the egg of entrepreneurship. There was the very bud of entrepreneurship.

The same thing applies to communities like Mayo. Why don't we have a furnace repairman in Mayo? Try to get your furnace repaired in Mayo or Teslin. Well, at least you have a choice in Whitehorse, but in any case, there is an example of where the preference, not just of the five or ten per cent, but by the allocation, the spending of government funds best directed so that, in replying again in these comments to a question that Walt raised a little earlier, the 29 per cent figure becomes virtually a zero figure if Yukon can support the industry of supply and services, contractors, whatever, to meet the demands of the business.

As free enterprisers, we found it very interesting to sit on the Task Force and follow the comments of people from Yukon to Northwest Territories and it was very challenging and stimulating to receive all of that straightforward, stand up and we'll fight our own battles type of approach that Ken made here.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Yes, there was a point that I wanted to raise, Mr. Chairman; it's in relation to the Task Force report itself. There were so many recommendations that were, in my view, really not applicable to the Yukon but to the Northwest Territories, and I think this is one of the problems that you get into when you try to do a northern global study when you have to take different working conditions in a different region of Canada and try to apply it at the same time to, in our particular case, the Yukon.

I have my misgivings in relation to this as well, like my colleague Mr. McKinnon, because at the municipal level and this kind of thing there's a lot of money raised through the tax dollar in relation to contracts being let and this kind of thing, but it could quite conceivably be a -- might be a \$50,000.00 contract could possibly cost \$55,000.00 and that \$5,000.00 might have to be raised at the municipal level and that's from the taxpayer. So, it rebounds right throughout the system, it just doesn't stay at one level.

It would be fine if it was all from one Government source, say the Federal Government; this is not the case when you start getting into smaller contracts and this kind of thing. I'd just like to hear what the comments are of the witnesses in relation to this because I think this is a danger because all the taxpayers are paying at least a certain percentage in most cases.

Mr. Chairman: Mr. Kapy?

Mr. Kapy: One of the recommendations calls for the Federal Government, the Treasury Board, to study the socio-economic factor as it pertains to this particular Green Paper or the Resolution that's in the Green Paper and the other recommendations that deal with northern preference or northern preferential treatment.

The comment that I made earlier of the multiplier effect of business, that \$50,000.00 contract that you cite, would be the equivalent of a \$500,000.00 contract if the multiplier effect is ten of course, \$350,000.00 if it's seven per cent, as our information indicated to us on the Task Force, so that the economic benefit to Whitehorse, be it that municipality that's raising those funds, would be substantially greater than the extra expenditure required to give this preferential treatment.

It was interesting to note that, in our meeting in Inuvik, the Municipality of Inuvik has a seven per cent preferential bylaw for Inuvik businessmen on all municipal service and public works contracts.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Well, once again, Mr. Chairman, you can use the multiplier effect and all this kind of thing, but in the final analysis somebody's paying for it. I'd just like to ask the Administrator, if I could, in relation to last year, I believe there was some statistics worked out somewhere along the line in relation to how this particular policy would have applied to last year. It's my understanding that possibly it wouldn't have affected any contracts of the Y.T.G. Is this a fair statement?

Mr. Gillespie: I wish I could recall myself. I do recall something along those lines; I wasn't responsible

for this portfolio at that time and so didn't do the research involved, but I think the Member is correct, that last year it would not have affected any contract that we are aware of, that was let by the Territorial Government. But I'm not sure on that.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I would like to ask a question of the two witnesses here, away from the Green Paper.

There's other businesses in the Territory who still have to make an existence who are not going to get any preferential treatment because they are not bidding on any contract or anything like Government contracts, and so on.

Has the Task Force come up with any thoughts on businesses like this and what preferential treatment those businesses could be helped under, or with?

Mr. Chairman: Mr. Boyd.

Mr. Boyd: We were appointed by the Minister of Indian Affairs, at that time Judd Buchanan, and he could only speak for his department, so to speak. He could try and influence the rest of the government areas but he could speak at that time for his Department, and in the recommendations we recommended that supply contracts, which is normally the merchant selling and supplying to the government, that they be extended preferentially. Mr. Buchanan accepted that philosophy and a preferential was implemented or made available to him.

They will tender, in some instances, they will tender only in the area in which the material is going to be used and they will consider all tenders to be F.O.B. the site or F.O.B. the area in which they're going to be used. In other words, you can't sell a car and quite it F.O.B. Edmonton when it's actually going to be used in Inuvik. It must be quoted F.O.B. Inuvik. In that way, the merchants are getting, through the Department of Supply and Service and various other agencies, they are getting a better deal than they had before. Perhaps it still leaves something to be desired, but the trend is established to make some differential for the businessman other than a contract bidder.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I just have two more questions. One of them I have to phrase very carefully, because I'm not too sure of my ground here. One of the problems that's been brought to my attention from time to time by local people is the difficulties which arise from certain organized groups of labour regarding contract work in the North. The difficulties, as they've been described to me of a local person having to compete with Outside labour, et cetera, et cetera, for jobs locally, on local contracts. If this bid preferential meant that Northerners then had the majority of contracts at all times here in the North, am I oversimplifying to say that this would ease that particular problem greatly?

Mr. Boyd: I think it would ease it substantially, yes. Normally, that worker that you referred to, the local

worker, the person that resides in the North, he wouldn't have to compete with anybody. He would have the first option of employment. You know, that isn't to say that a more efficient person can't be hired over a less efficient person, but the Northern worker will have first refusal on any job that a Northern contractor has out. That isn't a law or anything, it just happens as a matter of course.

Hon. Mrs. Whyard: Thank you, Mr. Chairman. And the other is a rather general question. I was wondering if we could be told what stage most of the other recommendations are at? This is the first that this Government has addressed itself to and I gather it's a three year trial period. Just, if I could throw in another small one here, Mr. Chairman, am I to understand from Mr. Kapy's remarks, that at the end of that three year period there'll be a social-economic impact study, because if so we're going to be waiting awhile.

Mr. Chairman: Mr. Kapy.

Mr. Kapy: The recommendation regarding the socio-economic study was not tied to the three year period. It was, it's supposedly underway right now. The answer to the recommendation by the, by Ottawa was simply that Treasury Board, in its normal deliberations regarding other business activities in Canada, has, as an on-going concern and consideration, the study of the socio-economic factor for all government spending in all of Canada. So, I am saying that perhaps that resolution isn't going to bring forward any further response.

We asked for a specific socio-economic study pertaining to government spending in the North, not the buying of typewriters in Western Canada or the building of typewriters in Western Canada, which I believe has recently been the subject of a recommendation of Treasury Board.

To carry on then, I suppose the point of the socio-economic study, really, then has to take into account the effect of all of the recommendations and a number of the other recommendations, without beginning to report here, Flo, on the progress report which we as task force members have received. On February 10th and February 11th, of this year, we received, or there were letters issued, covering these progress reports. The first progress report, as I say, was issued on February 10, and then progress report number two seemed to follow immediately one day later after a time lapse of several months, or almost a year. The progress report deals with each of the recommendations, some of which I believe have slowly taken place. The small business loan fund of the Yukon was expanded, the loan limit increased, the amortization period increased, the use for the funds diversified. Recommendations like that have gone forward and are in place.

Recommendations that are closer to the very heart of the philosophy of bid preferential have been slower or have not been put into place. The recommendation that I cite, for instance, regarding making the work, the public work available to the community in which the work is to take place first to enable those citizens, or those businessmen, those workers, to participate in that work, receive the greatest benefit of it, has, to my knowledge, not gone forward.

As I see it, that is very applicable to Yukon as well as Northwest Territories' consideration.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, I won't ask many questions of these, I'm more or less in agreement. I've been listening very carefully.

The Minister of Education was a little worried about the problem of it costing us possibly a little more money and I appreciate the answer from the witnesses, but I would like to take that a little further and clarify to myself and maybe some Members, if the witnesses could say that in the face of a contract of say \$100,000.00 where there was a five or ten per cent differential—I'll put it this way, the contractors in the Yukon Territory, and we know the money will be spent in the Yukon Territory very likely, on the other hand, the contractor comes from Outside, he is an Outside contractor and the work will be done in the Yukon Territory, it will be paid for here, to that extent, but we'll always remember that a contractor, and especially a large contractor should be making some money. That money, in my opinion is going to leave the Territory possibly, and I'm wondering if the witnesses feel the balance, what it would be. Would it be better to spend \$5,000.00 here or would it be better to have that 5 or \$10,000.00 go back Outside to the contractor from Outside.

The other question which I'm thinking of is, and it's not really a question, but I'm thinking of income tax purposes, and a large contractor that files his income tax in Edmonton, not in the Yukon Territory, I don't think and I might be wrong, I'd like to clarify this with somebody, the witnesses or somebody, if I'm wrong, that I think that their income tax is filed where they come from and in the event that he did make a lot of money, that income tax now would go straight to the Federal Government and of course we will steal what we can or hopefully beg, I should say, for what we can get back. Someday possibly it may be paid in the Yukon Territory and we may have a clear picture of this. That is just another way I think, possibly we may come up with a much better system here and we will end up with more money. However, the first question is the one I would like to have really answered.

Mr. Boyd: Could you rephrase the first question?

Mr. Fleming: How do you feel, do you feel that we would be better off to have it cost us, let's say a \$50,000.00 contract because that is what the Minister actually—a \$50,000.00 contract is going to cost us say \$5,000.00 more to have a contractor in the Yukon do it here. A contractor from Outside comes in here and does the same job, we know he's got to go home with ten per cent or so, of profit somewhere, so it's not going to be spent in the Yukon Territory. It's going to leave the Territory.

Now which would you like to have best.

Mr. Chairman: Mr. Boyd?

Mr. Boyd: Well then, my answer would be obvious. I would like to see the \$55,000.00 spent, rather than the \$50,000.00.

As I mentioned the socio-economic spin-off and the seven to one ratio, I don't think it will cost you anything, because the money will circulate, taxes will be collected that many more times, in the circulation of the dollar,

but I suggest to you that if you award the contract for \$50,000.00, the Outside contractor will steal the other \$5,000.00 off you anyhow in shoddy workmanship and he won't be here to do you warranty, and he won't be here to repair what fails after he leaves and so on, so you'll spend it in any event.

Mr. Chairman: Mr. Kapy?

Mr. Kapy: Could I follow up then on the comment Bob has made regarding income tax?

The Task Force addressed itself to both individual and corporate income tax; made the recommendation that there be a lower individual tax and a lower corporate tax for small business, or small entrepreneurs, small businessmen. This was rejected outright on the principle that income tax is universal and all Canadians, all business enterprises pay the same level of tax.

The principle though perhaps does have some considerations for Government of Yukon to consider in the future. The Province of Alberta, as an example, to invite the build up of industry in Alberta, is making that very same type of tax relief for Albertans and for Alberta based enterprises, not just corporations to invite business to establish and employ people and employ assets in Alberta.

As I say; I make this as a comment, perhaps it's a future consideration. I should point out that in the time frame in which the Task Force sat, received briefs, held its public meetings, the consideration of an Alcan Pipeline wasn't in any of our dreams, let alone any of our considerations and that was less than two years ago.

Mr. Chairman: Mr. Boyd.

Mr. Boyd: I would like to correct my previous remark. Somehow you'll have to delete the word that he'll steal it from you, he's going to get it from you some other way. It would cost you that much anyway.

(Laughter)

Mr. Boyd: --but delete that "steal"; would you?

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, if you don't mind my belabouring this point, it happens to be one of my favourites. I've made one or two abortive attempts in this Government to nail down some of the income tax that seasonal workers come and go and take away with them. I've been shot down before so I might as well be shot down again, Mr. Chairman, but a one point I uttered the dirty words "work tax", which caused a great hue and cry, but the proposal I thought was fairly simple and that was that employers deducted this and that at the end of the year returned it to Yukoners and the people who has left the country didn't get it back. There seems to be no way to arrange it through Ottawa and I thought we might as well try arranging it through our own resources, but, Mr. Chairman, there is no way that we can get our hands on income tax from people who earn a lot of money in this country and took it away with them and then filed elsewhere in Canada. Mr. Chairman, I'm open to any suggestions, but perhaps the witnesses have some ideas on that subject.

Mr. Boyd: I'm not going to walk into that one.

Hon. Mrs. Whyard: Mr. Chairman, the reason I raised it really, quite seriously, is that we have heard the word pipeline raised and this is one of the major things that's going to clobber us. These people will be coming in, if we have such a construction project. They'll be making a very high hourly rates and taking it all away with them.

Mr. Kapy: Well, the answer that I could give to that, Flo, is very simply the spin-off, the multiplier effect, the socio-economic benefit of spending government funds with Northern firms would supposedly manifest itself in employees of those firms, as Clive has said earlier, of being principally Northerners or Northern residents.

The problem that we were presented with is even more, very substantially greater. There are thousands of employees of oil companies, plane loads that take off from Edmonton International Airport and fly directly to a rig site somewhere on the Arctic Islands. A hundred people at a time and they take their paycheques with them to Leduc or wherever they live at and file their income tax on December 31st with a Leduc address.

That's a very unusual example and certainly doesn't apply to the Yukon, but the principle of bid preferential awarding the contract for the decking of Robert Campbell Bridge for some \$700,000.00 to a Yukon firm would have been equivalent of some five million dollars, the equivalent of five million dollars worth of business in the Yukon and if half of that five million were paid in wages, or a quarter of that had been paid in wages, you can readily see the amount of income tax that would have been collected.

I really haven't answered your question, though, as to how you pin down more and more of those employees to show on their tax returns right about now, 27th of April, that their residence was, in fact, Whitehorse, on December 31st. What I'm saying, really, the majority, at least 50 per cent, they have to qualify as a Northern firm, at least 50 per cent of their employees have to be a resident of the North. So at least, as one of the conditions of the definition of a Northern entrepreneur, would ensure that you're going to get 50 per cent of your income tax awarded to the Yukon, but you're also going to receive the benefit of the fact that you've ensured that the capital investment, as you cited, in the printing business is here and that investment in assets, in capital equipment is available then, perhaps because government had a major use for printing certain documents, certain forms, whatever, is then available to the public and a greater use is then made so the socio-economic benefit then takes just an astronomical expansion.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, Mr. Kapy answered I think most of my next question in his last statement.

I will ask him just on the qualification of a northern entrepreneur, the appendix A and I don't know if he's got it, is this the one that the Task Force recommended or is this a strange document as far as you're concerned?

Mr. Kapy: Yes, it principally embodies the condi-

tions set down, or the definition. It just words it a little differently than how we set it out.

Mr. Lengerke: Okay, the other question, Mr. Chairman, that I've got emanates from Mr. Kapy's comments again about the contract that was let for the Robert Campbell Bridge, the \$700,000.00 to deck that particular item. We use a multiplier of seven per cent, if it was in the case of a local contractor, but there is a multiplier in the case of the outside contractor as well. Certainly all the dollars didn't go out of Yukon. I'm sure that that contractor hired some local help as well and materials were bought. Did you do any calculation of that, because certainly it wasn't -- all the dollars leave the Yukon, I'm sure?

Mr. Kapy: No, we weren't able to come up with anything in the way of an indicator and this is why we've framed a resolution calling for this socio-economic consideration or study. Very obviously, each individual contract, be it \$10,000.00 or \$1 million, had very different material requirements, the labour requirements, so that the multiplier effect, the socio-economic consideration is going to vary substantially.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just one follow-up to that. I just want to say that I'm probably one of those fellows too that I like the low bid system and the advantages that has. I still like the innovative contractor or businessman. I think that certainly they are going to survive, but I also recognize, of course, that we have to do something in the North to try and provide that base of services that we so require to proceed.

One of the other questions I was going to ask the Members of the Task Force, if one of your recommendations was really a strategy for development as I think the Honourable Minister of Local Government was alluding to, did you make that kind of recommendation in your report? Because I think that is a very basic one and one that would answer a lot of these questions if we could burst the bubble and have this proceeded with?

Mr. Chairman: Mr. Kapy?

Mr. Kapy: We did not deal with development, per se. We looked at Government though in a number of other recommendations suggesting that long range planning on Government's part would assist northern entrepreneurs in gearing up for contracts, be they of the \$10,000.00 or \$1 million magnitude, so that in talking of development, we really addressed the question to Government that perhaps planning in a consultative process with the entrepreneur, the businessman, the individual of the North, that was interested in doing business with the Government would in fact assist in the development of Northern enterprise.

Springing a \$5 million contract, and I'm sure that doesn't happen mind you, but a large expenditure by Government made without any consideration for its effect on the capability of northern entrepreneurs certainly places them then at the disadvantage. If they can't come up with their equipment to do the job, then obviously they are not going to be able to participate and maybe that's why we have 29 per cent of the contracts

that are not fulfilled by Yukon entrepreneurs.

I ask the question here of the Green Paper, what types of Services are not available that make up 29 per cent of the tenders and why aren't they available? We are quite proud of our business development and it was amply displayed to us in our meetings, in our deliberations in the Northwest Territories. The far flung scattered nature of development in the Northwest Territories to the Yukon was like one century from the other in time, as far as development of enterprise is concerned.

Mr. Chairman: I'm going to declare a brief recess. I'd like to remind Committee Members that this is a Green Paper and they could give consideration to a motion or something to give Government direction when we return.

Mr. Lang?

Hon. Mr. Lang: Do the witnesses have time to spend any longer than what they have now, or --?

Mr. Chairman: We did try to get through it so the witnesses could be excused, but there already are another four people who have questions and I could see it going on for a while yet.

(RECESS)

Mr. Chairman: I call this meeting to order.
Mr. Lang?

Hon. Mr. Lang: Thank you, Mr. Chairman. I would like to refer back to a query that my colleague Mrs. Whyard asked a little earlier in relation to organized labour and when we are getting into contracts as big as half a million if not over, I think it is a fairly good assumption to say that you're involved with organized labour in relation to the work force.

I'd like to address a question to Mr. Boyd, if I could. In relation to the Unions that are representing the various trades, does the employer have the ability to request a future employee to go to work for them or do they have to go along the list in relation to priorities or seniorities in the various unions?

Mr. Chairman: Mr. Boyd?

Mr. Boyd: Yes, the employer has a name request privilege and I call it a privilege. The name request, if the man has worked for you, if you were his previous employer, that's immediately his previous employer, you have the ability to name request him. If he has worked for an employer in-between his duration of employment with you, then you do not have that ability.

The name request is a consideration of the unions and it is made up to their discretion. Now it's prevalent, but it is not necessarily law or a constitution or anything else, it's just something that they're managing. They can change it at will. They decide it within their own head offices, so to speak, so it's not something that may go on forever, but it is prevalent and usable at this point in time.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, the reason I asked

this question is, for an example, in relation to a young fellow that's just starting out in the work force, and I think this is a concern of all Members here, is his or her ability to become a member of a particular union which sometimes is very difficult. At the same time, in relation to the work force for members that may hypothetically, be a member of one particular union but a job comes open in another particular union, say it's in the operating field rather than the area of say the Teamster's, he really doesn't have the ability to transfer to be able to be employed by an employer who would like that particular individual to come to work for him because they know that he or she is a very reliable employee, whether it be five years ago that they had them employed or whether it was two months prior.

It's a concern of everybody, I think, in relation to northern labour. I know with my experiences that many times people from Outside that belong to a union have gotten priority and I don't really think, I know I'm getting off the subject here but, I really don't think that we can do anything about it. I do strongly feel that these people should be given priorities with the Union in relation to residence. I realize that's a problem that unions have to cope with.

Mr. Chairman: Mr. Boyd?

Mr. Boyd: That might be a problem that's beyond our jurisdiction, but possibly within your own jurisdiction. It is improper, with the union rules and regulations, it's improper for a person to carry more than one card, or in turn, belong to more than one union. Anybody that seeks to drop from one union to join another automatically goes on to the bottom of the list. He has the least seniority.

It is very difficult for young people, particularly in years of employment, it's very difficult for young people to join unions. First of all, they are normally not qualified and secondly, there's always such a large or long waiting list in times of high unemployment that it's pointless for them to join the union because they are so far down on the list that they won't get employment in that season in any event.

As you mentioned, Mr. Lang, the labour subject is probably not too pertinent to the Task Force. It's another ball of wax totally and it's something that you can't look into in five minutes, believe me, it's a very deep subject.

Mr. Chairman: I have one clarification, Mr. Boyd, you make reference to a union or a Unions?

Mr. Boyd: Into a union or a Unions, I made reference to all unions.

Mr. Chairman: That's not quite correct.
Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, if we can get back to the Task Force recommendations, just a small nitty-gritty question.

If a company has begun in the north aided with development funds from a government department or through the Territorial Government Small Business Loans or whatever the source being the taxpayer, do you still think that they merit some kind of special diffe-

rential treatment?

Mr. Chairman: Mr. Boyd?

Mr. Boyd: Yes, I would think they merit the bid differential treatment, the funds that have been made available to them are repayable funds. They're not a debt forgiving fund, they are merely a fund with possibly a more favourable interest rate than they might get from a commercial outlet. The fund is designed to do one thing, the differential is designed to do another thing.

The fund, if I might use a loose interpretation is designed to get the entrepreneur into business, and the differential is designed to make life possible for him when he does get into business.

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

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. McCall, I think we all realize that northern entrepreneurs are bidding into rather a narrow economy in the North and I think we all will concede that most of that economy is government money.

Mr. Kapy alluded to, when he said the northern entrepreneurs often aren't geared up to be able to bid on a \$5 million contract or a large contract when it's sort of sprung on them. I was wondering whether the witnesses would care to comment whether it would assist the entrepreneurs and the businesses, the small contractors in the North, if they had an opportunity to know what the Government was planning. What kind of expenditure the Government was planning say in the next five years. If even an estimate or some round figures of the Government's five year forecasts for capital spending were made available to them, would this assist in letting them plan for the future so that they would be in a position to bid on these various contracts that would be put forward.

Mr. Chairman: Mr. Boyd?

Mr. Boyd: From the heavy construction or medium construction point of view, the answer to your question is definitely, absolutely the more long range planning that is done and the more that it is known to the industry, the more industry can tune and gear itself to take care of that type of planning or to take care of that type of development.

Very quickly, a paving program right now there are no local paving contractors. If it was the government's intention to have a five year paving program throughout the Yukon, Yukon contractors would, could and would gear for that program. But as it stands right now, it will consistently be bid by Outside contractors for the simple lack of plans and equipment. So, from our point of view, the answer to the question is definitely it would be of great advantage to us.

Mr. Chairman: Mr. Kapy.

Mr. Kapy: To further just add a couple of words to Mr. Boyd's reply. The scope does not only fall on the extreme end, the high expansion end or the large contracts, it also applies to the specialized area of particular equipment. It might be the difference of whether we

have a local entrepreneur providing a certain service being the investment of \$50,000.00, \$25,000.00 in a certain piece of equipment, for which he is unable to justify the expenditure simply because he doesn't really know how much work he's going to get on it so he omits, just lets that business go by. And a good example is the example of printing.

Mr. Chairman: Mrs. Whyard.

Hon. Mrs. Whyard: Mr. Chairman, just one final, rather general question. The reason that we're trying to encourage Northern businesses, aside from the fact that they invest their money and it stays here, is because of the difference in cost they face in competing with Outside bidders. Would it be a fair assumption on my part that, with continuation of controls, with competitive transportation costs, past the point where we have now arrived, where I have observed that costs of living are rising Outside almost at the same rate as here, would you visualize that these special differentials might not be required in the reasonably near future? Or is this always going to be a Northern requirement?

Mr. Chairman: Mr. Boyd.

Mr. Boyd: I don't know that it will always be a Northern requirement. I would like to think that, given reasonable time, the industries will get themselves on their feet and become viable and can stand competition from anywhere. But as far as the cost of living is concerned, regardless of the factors Outside, in their relationship to the fact that here, the cost of living here will always be higher. You're going to burn, regardless of the price of fuel, you're going to burn, you know, many times greater than your Outside equals are. You're always going to have freight on it, you're always going to have, you know, vast distances to move it. You're working on a seasonal basis in most applications or in a lot of applications, you've got a tremendous carry-over. You're working in a restricted area, restricted markets. I think the cost of living and those factors are greater and will remain greater and will remain proportionately greater than the same costs Outside.

Mr. Chairman: Mr. Kapyt.

Mr. Kapyt: I'd like to elaborate on this seasonality of the Yukon, which we are all so familiar with. When we employ people in the Yukon and train them for various, various duties, various qualifications, we are only able to employ them in relation to British Columbia or Alberta for three, three and a half, four months, at best, of employment and I'm talking about the industries that are more concerned and involved with development of our natural resources where there are limitations of environment are involved. I speak of the limitation of employment of peoples.

I should also speak about the limitation of employment of assets. A Northern entrepreneur buys a piece of equipment, be it a dump truck or whatever it is, he employs it for three months of the year. His competitor in B.C. employs it for five months of the year.

He spread his overhead over two more months of revenue generation, over a period of revenue generation, which is two months longer, so that these factors, these economic factors, of the seasonality of the Yukon, are a substantial consideration in why the bid differential has meaningful purpose to it.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, just a quick question. If the Yukon Territorial Government were to implement such a system, in the opinion of the witnesses, would they think a test period would be a good idea, such as maybe three years or two years? Have you got any ideas on that?

Mr. Chairman: Mr. Kapyt?

Mr. Kapyt: Mr. Chairman, if I might reply to that, the Federal Minister, then Minister of Indian Affairs and Northern Development Judd Buchanan, suggested, or placed, this bid differential into place on a three-year period. I am not aware of the period, if there is a period, which the Northwest Territories' Government placed this into effect. They have a policy in effect; whether it's indefinitely or whether it's for a one, two or three or more year period, I'm not certain, but I would certainly suggest that a period of three years would be appropriate and that the effects of the policy be assessed during and at the conclusion of this period.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Just a -- obvious, I guess, but just to follow up to that, would it be something less that we used, do you think that would be, you know, say a year or a year and a half, would that be time to measure it? Three years, I guess, would be the minimum, I guess. You could ...

Mr. Chairman: Mr. Boyd?

Mr. Boyd: I think three years would be desirable. You're endeavouring to do something that hasn't really been done before in a concise form and I think it should be a period and then a stop so you can evaluate it. It's imperative that we help, but it's also imperative that we hold costs down. If we find it being self-inflationary and so on and so forth, then conceivably it should be discontinued. Certainly it has to be appraised. If it's not doing good, then it has to be stopped, and I think a three-year is a reasonable test period.

Mr. Chairman: Any further questions for the witnesses?

Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, Mr. Boyd has just said something which triggered another one. I understood that there was always an unwritten law that northern bidders got a preferential treatment some years ago and to my knowledge this was in effect. There was a five per cent, as I recall locally. What happened to that, and why isn't it still in effect?

Mr. Chairman: Mr. Boyd?

Mr. Boyd: I have never known a bid differential in the years that I have been here, Mrs. Whyard. Various representations have been made from the Contractors' Association to the Municipality, to the Territorial Government, et cetera, but as long as I've been in the construction or the contracting business I have never known a northern preferential treatment.

Mr. Chairman: Any further questions for the witnesses?

I'd like to thank you, Mr. Boyd and Mr. Kapy, for the kind assistance you have given us today.

Mr. Kapy: Mr. Chairman, I would like to mention that, in consideration of further recommendations of the Task Force, I believe the report of the Task Force was tabled in the House, if there are other considerations in the future of the other 41 Resolutions, I'm sure that Mr. Boyd, if I might speak for him, and myself would be happy to make our time available. We, together with two members from the Northwest Territories, pardon me, four members from the Northwest Territories, two from the High Arctic and two from the Western Northwest Territories, spent a lot of time over a year and a half and we'd be happy to give the House some of our experience, some of the representation that was made to us. We had a lot of representation made to us that was verbally transmitted in discussion and in meetings, and we'd be happy to answer questions regarding any of the other recommendations.

Mr. Chairman: Thank you for the kind offer. Thank you very much.
Is there any further discussion on this Green Paper?
Mr. Fleming?

Mr. Fleming: Some comments, Mr. Chairman, on the Paper and also on the Committee that was here. I was very, very happy to hear the answers to some of the questions that were asked. I didn't have to ask too many of those questions because I think I understand the Bid Differential system fairly well, already, and if it goes into effect I'll be quite happy.

I think that maybe we should just take a look at ourselves and see what we're doing towards helping this situation in the Yukon and possibly looking forward to the day that maybe bid differential wouldn't even be necessary and maybe not necessary now if we had taken into consideration the very points that those two witnesses brought up today through questioning here, where they have stated it, you know, they realize the problem of the small contractor in the Yukon Territory. I realize that problem, too.

When we're making up legislation here in this House and we come up with such things as, possibly, the Electrical Protections Ordinance and we are smothering the consumer with -- and the small businessman and many of the people with regulations to help him, that in the long run is liable to hinder him, it's just some of the things I think we could look at very carefully and remember that we do have small contractors and people in the Territory who aren't big operators and they are part of the backbone of this country.

As I said, the bid differential, in my opinion, is a necessary thing at this time and this is the reason. I don't really think that it's something we should always

have, it is not really the best for equality all over Canada, but it is a necessary step now.

I think that the money that we would gain from this type of a thing, back into this Territory, is well worth what little extra cost that it's going to involve us in.

Mr. Chairman: Is there any further discussion?
Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I thought the witnesses were excellent in their responses to the questions that were asked of them. I do think this is an area of concern in the Yukon and I think it's an area that should be reviewed in totality. I'm talking in relation to residential qualifications and this kind of thing in relation to offices and it goes on and on and on. One of the witnesses made comments that all provinces have this type of thing in effect, but it's done in different fashions. Quebec, apparently, is quite open, other provinces more or less disguised the preferential treatment that they do give to their small business entrepreneurs. I think it is an area that we should be prepared to look at to see what we can do to come up and accommodate some of the problems that the small business people have.

I think this just touches on the subject, I don't think it necessarily resolves the situation. If this is to go through, Mr. Chairman, it would be my understanding, it would be similar to the federal proposal that it would be a three-year program and then reviewed at that time to see whether or not it was working and if it wasn't working then changed, modified or possibly deleted.

Is this not correct? I'd like to hear the comments of the witness.

Mr. Gillespie: This would be up to the Territorial Government, Mr. Chairman. Ottawa has chosen, the Federal Government has chosen, in the Department of Indian and Northern Affairs, to adopt it as a three-year experiment. Not all other federal departments involved in contracting in the North have chosen to follow suit, as yet.

I'm not aware of how long the NWT has chosen, what time period they have established or whether they've set a time period, but the option would be ours. We could do one, two, three, or an unlimited period of time.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I just would like to also raise my voice and thank the witnesses that we have because I think there's one significant point that came out in their presentation and that's there's a definite need to relieve people in the Yukon, not only one particular part of the people in the Yukon but everyone in the Yukon, of the high cost involved in the Yukon. I don't think it's the real direction we should take with the way the Green Paper is suggesting to us. I think we should also think of working people in the Yukon. I mean, the wages in the Yukon at the present time are on par, and lower in some instances, than in the provinces. Does that mean that the people working for those contractors is going to get an automatic ten per cent raise in their wages, in their salaries?

I'm also thinking of other business enterprises in the Yukon who have never had a chance to bid on government contracts. What are we going to do with those

people? Are we going to give them preferential treatment of some sort or another? There's nothing suggested in the Green Paper.

All that I would like to suggest to the House is, to the Committee here, that there is a message come across there's a definite need for relief needed for the people in the Yukon.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, I'm sorry I didn't get it before, but I have one question to ask Mr. Gillespie. The contracting authority, does Mr. Gillespie at this time see actually who that contracting authority would be, other than the Territorial Government at the Administrative level? Would there be some other system, board or such?

Mr. Gillespie: Not where -- we haven't contemplated anything as far as Territorial contracts are concerned. We have not contemplated using some other authority for Government contracts if this is what you mean.

Mr. Chairman: I must advise the Committee that this is only information, this Green Paper, and any recommendations would have to be supported with a motion.

Mr. Lengerke?

Mr. Lengerke: Mr. Chairman, maybe we could bring such a motion forward. We have a motion of Committee of the Whole, moved by myself, seconded by the Member from Kluane, that it is the opinion of this Assembly that the Yukon Territorial Government institute a system of Bid Differential similar to that as recommended by the Federal Task Force on Northern Business Preference, and similar to that as instituted by the Northwest Territorial Government.

BE IT RESOLVED that such a system be implemented for a period of not more than three years and that it commence as soon as applicable legislation can be prepared or regulations amended.

FURTHER that the economic impact and practicality of such a system be reviewed and reported on at the end of the three-year period.

Mr. Chairman: Could I have a copy of that motion, Mr. Lengerke?

Mr. Lengerke: Yes.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I would like to address a question to the witness. It is my understanding that if something like this was to come into effect, it wouldn't need legislation, it would be regulation, would it not?

Mr. Gillespie: It would be pursuant to the Financial Administration Ordinance, I believe. I think the Honourable Member is quite correct.

Mr. Chairman: Is it Members' wishes that they be provided with a copy of this motion?

Some Members: Yes.

Mr. Chairman: Very well.

Mr. Lengerke: Mr. Chairman, I might have to rewrite that so that if you're going to copy it so that everybody can understand it, I'm sure.

Mr. Chairman: I'll declare a very brief recess.

(Recess)

Mr. Chairman: I call this Committee to order.

It has been moved by Mr. Lengerke, seconded by Mrs. Kluane--that is what it says,

THAT it is the opinion of this Assembly that the Yukon Territorial Government institute a system of bid differential, similar to that recommended by the Federal Task Force of Northern Business Preference (and similar to that instituted by the Northwest Territorial Government),

BE IT RESOLVED THAT such a system be implemented for a period of not more than three years, and that it commence as soon as Contract Regulations are amended.

FURTHER that this economic impact and practicality of such a system be reviewed and reported on at the end of the three year period.

Mr. Lengerke: Mr. Chairman, it should be 'that the economic impact'. I think it's just a typographical error.

Mr. Chairman: Mr. McCall?

Mr. McCall: I don't support this particular Motion, Mr. Chairman. I personally don't even support the Green Paper after listening to the debate going on about this particular matter, I am not going to be a part to the first stepping stone to monopolization. I'm not going to be a party to encouraging isolating the Yukon for any businessman living in the Yukon, who has his business in the Yukon. I'm not really interested at all. Although policies are always questions and ideas and philosophies are always questioned, I do believe that free enterprise is part of our system and when we say free enterprise, we mean the whole of this country, and not just the Yukon, so I cannot accept the Motion. I cannot accept the Green Paper which the Motion makes reference to. I think it would be a very foolish mistake for us to accept something like this at this point in time.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Mr. Chairman, I'm very surprised, very surprised at the Member that is here for the people in the Yukon Territory, and especially the workers in the Yukon Territory, that wouldn't back up such a motion as this. It is possibly going to give those people more work in the Yukon Territory by Yukon contractors and so forth and so on. I'm very, very surprised, Mr. Chairman.

Mr. Chairman: I don't know why you are surprised at Mr. McCall.

Any further debate?

Mr. McCall?

Mr. McCall: I think the previous speaker is not realizing what he is voting on.

Mr. Chairman: Any further debate?
Mr. McKinnon?

Hon. Mr. McKinnon: Mr. Chairman, I think there is some very interesting points that perhaps Honourable Members could have overlooked in the Green Paper.

One point is that by the Federal Regulations, the Territorial Government is bound in all the major contracts by the bid differential system. That is in all those areas where the Engineering Services Agreement comes into play, that that money which comes under the Engineering Services Agreement is liable for the bid differential system under the Department of Indian Affairs and Northern Development, at the present time.

I would really like to see the advantages shown with the major contracts that come into this country which are all Federal oriented and under the Engineering Services Agreement before the Territorial Government rushes pall mall into the same type of system. The big money where the major contracts are, are now under a bid differential system.

I really would like to see that in play for a period of time and analyzed before the YTG follows suit. I think we have the ability to have the best of both worlds at this time, to look at how the Federal bid differential system is working before we could contribute, and I'm serious about this, to an inflationary spiral of contracting costs where the only loser will be the people of the Yukon and the taxpayers of the Yukon.

This could come about and I'm serious about it. If we rush into this without really examining what the effects of it are, over a period of time where it is presently in effect and that takes care of the major money contracts in the Yukon. I just think that there's so much more to it, that we could be doing so much harm by not really looking at this over a period of time as to what the original step does that we could, and I think you can bring economic arguments, you could prove that perhaps it would be a detriment rather than an advantage, in the long run.

So, I'm going to surprise a lot of people, too, I think, and particularly all my constituents down on Industrial Road, by not voting for this Resolution at this time. I think that I have very good reasons. I don't think they've been explored deeply enough. I think that we're looking at it just from a—maybe it's a tough thing to say, but maybe from a politically advantageous situation at the moment, without really looking into it deeply, of what the economic circumstances could be. And the economic circumstances might do completely the opposite of what Honourable Members hope to do and it could start off an inflationary spiral of contracting costs that nobody would win on. It's just another 10 per cent and the only guy that's going to pay is the guy that we're trying to protect, all the taxpayers of Yukon.

So, you know, we've got it in operation, by a federal government directive, where the big money boys play and I think that we should—let's look at that over a period of time, a three year period isn't that long, before we just rush headlong and pall mall into following the federal government lead. I think that at the end of that

three year period, that we all might have a different idea of what that bid preferential really means to Yukon and contractors in Yukon and perhaps we won't be that fussy to follow suit, Mr. Chairman.

Mr. Chairman: Mr. McIntyre.

Mr. McIntyre: Mr. Chairman, I agree to a certain extent to what the previous speaker said about the inflationary effect that a bid preferential system would have. There's no doubt in my mind that if we adopt a bid preferential system, that it will result in inflation and that every contract that we enter into in the future will be increased by the percentage of the bid differential.

However, the major contracts are being affected by the federal bid preferential and the fact that YTG is forced into it in their Engineering Agreement contracts, will really not give us a picture of what is going to happen to the smaller contracts that we're really interested in. I don't think any observation of the effect of the program that the YTG is now forced into for three years will give us any indication at all, because I don't think that the bid differential will show up so much in those major contracts. It's the smaller contracts that are going to be affected by the Territorial Government contract regulations that we're interested in and I really don't see that we shouldn't enter into something like this for a period of three years and just find out how it works for the smaller contracts.

Personally, I think it will be inflationary, but I'm going to support the resolution.

Mr. Chairman: Mrs. Watson.

Mrs. Watson: Mr. Chairman, I don't think any of us here are prepared to accept this motion because it's politically advantageous to do so. I think we're all concerned about the people in the Yukon, we're honest enough to realize that the forecast for the next year or two, is not that bright and we have unemployed. The prospects of contracts and work projects on the horizon aren't that many and also the situation across Canada, look at the number of unemployed.

Now we are going to have more and more companies and this is where I have my great fear, Saskatchewan companies, B.C. companies, Manitoba companies, who are also looking at a type of slump, are going into Alberta. Alberta's going to be glutted. We're going to get a lot of them up here and if the bidding is going to be competitive, it could be inflationary, but I'm sure with the amount of bidding that we can expect during this sort of a recession period, will probably offset the effects of the preferential treatment which we are giving to our Northern entrepreneurs. I have misgivings, none of us really know what's going to happen, but, in order to give our people a bit of a break at this time, I'm quite prepared to accept, to support this motion for the three year basis and then have it evaluated at the end of that time.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Unless somebody else wants to speak.

Some Members: It doesn't matter.

Mr. Lengerke: Yes. Mr. Chairman, I can well appreciate the comments made by the Minister of Local Government when he spoke. When the witnesses were here I certainly had to agree with a lot of his comments.

I am also one of those, as I said earlier, one of those people that believe in the low bid system and I think that probably we could take our chances very well with that alone. But, we have heard and it's not new to Yukon, it's something that's across the North, we hear the wants of contractors, people in business, for such a system to be put in place. I have some misgivings about it as well, but I would not even have proposed the Motion had I also realized of course that a lot of our contracts, the major contracts that the Yukon Territorial Government now give out are under this policy already. The Honourable Member from Mayo said it very well when he said that we really would not be able to measure any impact of this, or even find out if it's practical until we see what effect it has on the smaller contracts.

I thought possibly in presenting the Motion that maybe I should have cut the time period down to coincide with the three years that the Federal one is in existence, but I understand that it's just been that policy has just been implemented so it looks like these two would run out about the same time.

With that, Mr. Chairman, I would hope that we can get some support for this and certainly there are some questions, but I think we are on the right track and if we're not, I don't think the damage will be that great and certainly we would be able to assess our situation then.

Mr. Chairman: Mr. Lang?

Hon. Mr. Lang: Mr. Chairman, I think earlier in debate, I mentioned the point that in review of our 1976-77 contracts that there would have been very little, if any effect on the contracts that were let in that particular case. I think I'm pretty safe in saying that that was the analysis that was done.

I also agree with the Member from Kluane in relation to the fact that I think we are going into an era of our history where our economy isn't going to look that bright for probably another year or two years depending upon possibly one or two maybe major developments which we really have no control over.

I think at the same time, Mr. Chairman, it should be pointed out that in most fields we do have two, three, four, five, possibly more Yukon companies competing in the same areas, if it's a general area in relation to construction and this kind of thing. So in most cases, it will be inter-competition in many cases and subsequently this would not apply.

I agree with the Honourable Member from Whitehorse North Centre that it's an area that we really don't know that much about, but then as far as I'm concerned, we should try it and see how it works.

After three years I think it should be reviewed, in fact, I think there should be an ongoing review so that we know exactly where we stand in relation to the contracts let by this Government, and subsequently if it isn't working, if there's something wrong, it should be modified.

As I said earlier, I think the whole area should be reviewed. I don't know at the present time in relation to the Government whether we have the capabilities of

reviewing the whole area of preferential differentials in many areas rather than just in the area of contracting, like in the area of construction contracts being let.

I think that in the witnesses' approach to the problem, they pointed out that many of the Provinces are very open in relation to their ability to give preference to their small business entrepreneurs. At the same time, some areas are disguised. I think the whole area should be reviewed because I think we're just getting a tip of the iceberg in relation to at least trying to accommodate the problems that our small contractors are having in relation to the cost of living in the Yukon. So subsequently, Mr. Chairman, I'll support the Motion. As I said earlier, I have my misgivings to a point, but I think at the same time we should try it, see how it works, and I think that we should also, at the same time, if it's not working, we should, as a Legislature, be prepared to amend it at a certain time.

Mr. Chairman: Are you ready for the question?

Some Members: Question.

Mr. Chairman: been moved by Mr. Lengerke, seconded by Mrs. Watson, that it is the opinion of this Assembly that the Yukon Territorial Government institute a system of bid differentials similar to that recommended by the Federal Task Force on Northern Business Preference and similar to that instituted by the Northwest Territorial Government.

BE IT RESOLVED that such a system be implemented for a period of not more than three years and that it commence as soon as contract regulations are amended.

FURTHER that the economic impact and practicability of such a system be reviewed and reported on at the end of a three-year period.

By show of hands, all those in favour?
Contra?

Motion is carried.

(Motion carried)

Mr. Chairman: We will go on to the White Paper on Decentralization.

Ms. Millard?

Ms. Millard: Mr. Chairman, as I said earlier today, the City of Dawson feels very strongly about this decentralization policy and particularly the White Paper on Decentralization.

I've copied the letter that I received, or that many people have received, to Mr. Gillespie from the City of Dawson, for everyone and, since we're not able to have the City as a witness, I think my questions will be concentrated on the ones that are brought up in this letter. I feel they're a very good analysis of what happened.

The City asked for a breakdown in the costs which are mentioned in the White Paper, and I also copied those for Members. It starts - it doesn't have any title, but it starts with "Capital Costs" at the top and is broken down further as it goes along.

I might state that the Decentralization Policy in itself has been endorsed by the Association of Yukon Municipalities and, in a way, by motion in this Legislative Assembly on moving the Tourism Department. Certainly, it has had motions from the City of Dawson,

in fact in a letter to local government the City of Dawson has recommended decentralization pilot projects. They have also written to Parks and sent a motion to them asking for decentralization of their facilities, which Erik Nielsen has supported.

So, I think that it really has sort-of general consent. Of course, the main objection in the White Paper is the cost. Before getting into those details, I'd like to ask the witness if he agrees that the purpose of a policy of decentralization is for stimulation of the economy?

Mr. Gillespie: Mr. Chairman, there is no question that decentralization, along the lines suggested, would have a beneficial effect on the economy of Dawson City. If four families, and that's probably what it would be, at least initially, are moved to Dawson City, they would expend money, that would be just four more families employed in that area and, with the closure of Clinton Creek in the offing, it would help to mitigate the effects of the closure in that area, and this is quite important.

So, in that respect, the concept of assistance to Dawson City by such a move is certainly valid.

Mr. Chairman: Ms. Millard?

Ms. Millard: I would go further then and ask the witness if he agrees with this quote from the letter from the City of Dawson: "Decentralization of government is, in our opinion, the most economical method of subsidization of a local or regional economy. Rather than 'inventing employment' that may or may not produce needed jobs and services, decentralization is relocating established jobs from an area where these jobs have a minimal economic impact to an area where a high economic impact will be realized."

Is there agreement in the witness with this?

Mr. Gillespie: I don't think there's anything -- I don't think there's any way I can provide a simple yes or no answer, that this is the most efficient effective way of subsidizing and bringing economic benefits to an area. There could be a good many others. Certainly there have been attempts, representations made to the Federal Government to accelerate the Historic Sites program. That would have benefits and employment, capital expenditures, capital works and so on, that's another measure.

A direct comparison between this and the direct employment, the federal direct employment programs, I presume these are the ones that are being referred to, Works Canada and this kind of thing; I'm not in a position to evaluate those one against the other, I'm not an economist. But, it is -- I do know that it is a very complex subject and certainly there's no simple answer to it.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Yes, Mr. Chairman, I would like to ask Mr. Gillespie a couple of questions on this White Paper here, on the \$360,000.00 for capital expenditures and additional operating expenditures ranging from \$41,000.00 and \$73,000.00 depending upon the staff and so on and so on.

My question is, is this what it would cost up there? Are you speaking of what it would cost up there? You say "additional" I think, in one place. Is this the additional

amount it would cost to have them up there, the 41 and 73 thousand, especially that it would have them here, or are you just taking the figure from here and moving them up there and adding more to them?

Mr. Gillespie: No, Mr. Chairman, this is the incremental costs. At the moment, our Tourism staff are all located within this building. If they were to move to Dawson City, new office accommodation would be required and that's a straight additional cost. Assuming that roughly 1,000 square feet is what is required, our Public Works people indicate that that would cost roughly \$150,000.00 for that alone. Accommodation is another matter. These individuals, I think, without exception, are all living in their own houses here. Housing would have to be provided for them there, at least initially, and there would be a cost for that as well.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, since the witness has mentioned office space and housing, probably the two greatest costs, I would like to question him more closely on those two aspects.

First of all, the staff housing is being considered as if you had to build four new houses at \$50,000.00 each, bringing a total of \$200,000.00. Is there no staff housing available, since six new units were taken to Dawson for YTG, one of the units, I understand, is being rented at this point to a local businessman because there is no YTG staff in it. That's the first question. Has it been considered that perhaps there is other staff housing available?

The other one is just as important. The office space, according to the City of Dawson, they have made some investigation into office space, it says that no serious effort has been made to reach a co-operative agreement with Parks Canada concerning office space. By the way, I just telephoned the City of Dawson this afternoon to confirm this with them and to see if they've had any further contact concerning this. It is still in the same state.

The YTG representation on the Dawson Co-ordinating Committee, which I presume has something to do with Parks, has never raised the question; in fact, we know that Parks Canada is looking for possibilities of entering into joint ventures to return historic buildings back to a practical use. In other words, has any real investigation been made under the different possibilities that are available in Dawson? Has anyone asked, for instance, the City to make a study of possible office space in Dawson and possible housing?

Mr. Gillespie: I was not aware that there was one territorial housing unit that was being rented at this point in time. I do know that, at the time we put this together, we did contact the Yukon Housing Corporation regarding the availability of staff housing units. At that time, we were informed that there were none and that if we were to move staff up there, new units would have to be built for that purpose, or, as an alternative, it is certainly possible -- it certainly might be possible, I should say, I don't know for sure -- it might be possible to renovate buildings that are already there for this purpose but this, itself, has been shown in the past as a rather expensive proposition as well, so I don't know

that there would be that much difference in the costs that would be incurred.

As to office space, we had hoped and we did approach Parks Canada to discuss the possibility of using their office space, sharing it, and although initially the indications that we were given were that we might be able to. Subsequently, we were told that there is little or no prospect of this happening. It's on the basis of that and our general information regarding the availability of office space for this kind of purpose in Dawson that our people concluded that we would have to build our own.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I'm sorry to say, Mr. Chairman, I can't quite believe the statement because it's my understanding the old Administration Building in Dawson is still owned by YTG. It's this building the City is referring to specifically which the Historic Sites would be quite willing to co-operate with YTG to rebuild to bring it back in a useful structure again as an office building, as a museum and also as a structure which Dawson City can be proud to have.

The other alternative I suggested to the City myself was to use the present structure of the Macdonald Lodge as an office building and build an alternative structure adjacent to the hospital, which is much more useful for creating a much-enlarged staff area in the hospital. You can have geriatric care in Dawson again and you also have a proper hospital again, which we haven't at the present time.

I mean, there are so many alternatives available if the Administration of this Government would just take a serious look at the thing and I don't think it was really done.

Mr. Gillespie: Mr. Chairman, undoubtedly there are alternatives, but those that have been mentioned would also cost money. Restoring the old Administration Building or building a new hospital wing or whatever, those would cost money and our point here is that this is a costly proposition, one that at this point in time this Government, in its situation of financial constraint, cannot move ahead on right now. It doesn't mean that it couldn't happen in the future. That has not been said, but what has been said is that it is a very costly proposition and one that we cannot afford at this point.

Mr. Chairman: Ms. Millard?

Ms. Millard: Well, Mr. Chairman, I don't agree that it's a costly proposition and I'll have to go through this in detail in questioning to prove that because I think the list of costs here is inflationary. There are a lot of things here that are doubtful. I would like to have seen a comparison between this because I think this is the highest possible cost, between the highest possible cost and the lowest possible cost, considering other elements. We don't have that and it's misleading. It says additional annual operating expenditures — it's not additional; you have a clerk typist in Whitehorse, you have a tourism officer in Whitehorse that will be paid the same as if they go to Dawson.

I don't understand why approximately one trip to Whitehorse every two weeks is necessary at \$8,000.00. There's many things here that I would really question

and, in fact, the City of Dawson has questioned in one part here. "The total communication costs, postage, telex and other long distance telephone, adds up to \$10,400.00 or \$888.67 per month." That is in addition to the present communication cost of the Department. It doesn't say whether it's in addition or not. I presume it isn't.

There also: an additional cost of a photocopier. Should the Department be able to take advantage of another office space such as Historic Sites, certainly they should be able to rent a piece of the photocopier that's there.

Also, it goes on to say that the cost is detailed in the White Paper; it would work out to 200 copies per working day. I think, even in our office, we're not, well, perhaps in our office we're up to that point, but I think we copy an awful lot of things compared to a small part of the Tourism Department.

These things are all very questionable and I just don't find the estimates that are given to us acceptable.

I would like to know if it's possible to have a lower, you know, a possibility of, instead of a high estimate, which is what the witness must agree it is, I would ask him first of all if he would agree that this is a high cost estimate? Could we also have a low cost estimate, considering other possibilities and certainly considering the local conditions in Dawson?

Mr. Gillespie: Mr. Chairman, I would not agree that this is a high cost estimate. I would say it's a rough cost estimate and that's all we can, until we get down into actually implementing such a thing, it's probably as good as we can come up with at this point in time.

We can argue about any one of these points and undoubtedly they're all inaccurate, but ballpark-wise they do give an indication of the magnitude of expenditure that's required. We could be off as much as twenty per cent either way. I would agree with that, but it does give an idea of the order of magnitude. As to the clerk-typist and Tourism officer, as I indicated — or as indicated in the White Paper, it's a moot point as to whether these would in fact be required or not.

Our people feel that because of the — if tourism were to be located in Dawson and removed from the hub of the Yukon in terms of transportation links, in fact, there would have to be a lot more time spent on the road in getting to places like Watson Lake and Haines Junction and various other communities throughout the Yukon. In addition to that, that much of the work that our Tourism people do inside the Yukon takes place in Whitehorse, particularly now that we've entered into a contract with the Yukon Visitors' Association, and there will have to be a good deal of liaison between our tourism office and the YVA, there would have to be continuing close contact with them.

The Chamber of Commerce, a lot of the operators and government agencies with which they work, are located here. It's unfortunate that Dawson, insofar as tourism is concerned, is located at the outer perimeter of this wheel. That in itself is what is going to result in a number of these additional costs that are shown here.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I must express admiration for the carefully prepared and documented

attempt being made here by the Honourable Member to work on behalf of her constituents, but it is my reaction that if I were the Director of the Department of Tourism, which I am not, Mr. Chairman, and I had an alternative as to where to locate people to promote tourism, I would put them in Los Angeles, and I would put them in Toronto, and I would put them in Anchorage to bring business to the Yukon.

I think there may be other departments of government which are better suited to such a move to decentralization to Dawson City, but that's not my main point. Mr. Chairman, my main question is that a year and a half ago, and again a year ago, I asked for support from this government in a concerted push on the Department of Indian Affairs, Historic Sites section to accelerate their program for Dawson City by at least one year in view of the Clinton Creek development because I could see no reason why they shouldn't and couldn't. This would do a great deal towards what Dawson City desires, and I think we would do a great deal more for Dawson City than this particular plan.

I have, as yet, Mr. Chairman, received no indication as to why the Department of Indian Affairs, Historic Sites cannot expedite their five year or ten year, or whatever, plan because it is formulated, it is planned, the man years and the dollars have all been worked out. Surely in the opinion of the Minister responsible, there is just -- there are just grounds for advancing that plan by a few months for the benefit of this part of Canada's North, and I wonder if the witness can assist us on that question.

Mr. Gillespie: Mr. Chairman, attempts have been made at two levels to try to achieve that very purpose.

Questions, when put to officials, bring about the response that it cannot be accelerated because there is a planning process that has to be undertaken. Before they can accelerate their restoration plans, they have to do a certain amount of research in terms of precisely what is required. That research is being undertaken now, it is not complete, and it has not been brought to the point where the restoration work can be accelerated.

That's the answer that I received when I put that question at a meeting here earlier this year. In spite of that, attempts have been made, the matter has been brought up, I believe, to the Minister, trying to encourage him and his department to accelerate this program to the best of their ability.

I know the federal government is like the territorial government though, it has financial constraints, it has manpower constraints, and it has other priorities. I don't know what their final answer will be, but I do know that representations have recently been made along these lines to the federal government, to our Minister, to see if he can do anything to accelerate this program, because I agree with the Honourable Member. This is the initiative that is going to have the greater economic impact than transferring our tourism office to Dawson City.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, could I be allowed one supplementary question which is not exactly on this decentralization, but has to do with the plight that Dawson City is finding itself in. Could I ask, Mr.

Chairman, whether the Honourable Member can inform me what are the most recent developments between any community committee from Dawson and the Clinton Creek owners regarding disposition of that property. Have there been some concrete suggestions made? Is somebody formulating plans, is there going to be any kind of substitute for employment in that area? Have the citizens of Dawson approached the Department of National Defence? What kind of reaction did they get? Are there alternatives being pursued in that area?

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I presume the Minister is talking about the property at Clinton Creek? At Clinton Creek, we are off the subject by about sixty miles, but yes, definitely there have been presentations made to the Department of National Defence and to the Solicitor General. There have been from the administration at Clinton Creek, I don't know if there's anything directly from any committee in Dawson City. I know the Member from Klondike and I have both been writing various people giving our opinions on what should happen to the property. As far as I know, nothing is going to happen, it's going to just be left there.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: Mr. Chairman, I merely raised the question because I can see far greater returns from such a project for Dawson City.

Mr. Chairman: Mr. Berger?

Mr. Berger: Yes, Mr. Chairman, I thank all the Honourable Members concerned with Dawson City, and I'm loading the responsibility on the federal government, because I think the main concern should be in this government, Dawson is in the Yukon, I think.

The witness tells us that Dawson City happens to be on the outer perimeter of a wheel by the sounds of it.

I would ask the witness what is the main advertisement that Yukon Territorial Government is using? Isn't it Dawson City? Without Dawson City and the Klondike Gold Rush, there wouldn't be any tourists in this Yukon at the present time.

And furthermore, what is the Territorial Government really doing in Dawson City? I say it again as in the budget debate, what is the Historic Sites from Ottawa doing? They still own a building in Dawson City which they are trying to unload to National Historic Sites, for years already. In 1962, there was a plaque on there too, under the protection of this government, the Territorial Government. Somebody moved that plaque again because it was too embarrassing because the building became dilapidated. They left it to private society, the Dawson City Museum Society, to look after the building with minimal grants, hardly any money for us coming to Dawson from this government here. Oh yea, the federal government in Ottawa is to blame for -- what is this Government doing for Dawson City?

They can't even find enough money to have a dust control program between Stewart Crossing and Dawson. This is what we are complaining about in Dawson City. We did everything possible in Dawson City to try to

save Clinton Creek for some other purposes. What assistance did we get from this government to preserve Clinton Creek for other purposes?

Nothing. Oh, it's the big father, white father in Ottawa's fault, but Dawson City is in the Yukon Territory and this happens to be a responsibility of this government and this is what we're asking about.

In the White Paper it says we gave KVA \$5,000.00 and I say again as in budget, on the other hand we take away \$4,000.00, so what are we giving to Dawson City? We're using Dawson City left and right, just like I said the other day about Indians. We're using them, but we're not giving Dawson City anything. This is our complaint.

Mr. Gillespie: Mr. Chairman?

Mr. Chairman: Perhaps we could have a fourth elected Member on the Executive Committee from Dawson City.

Mr. Gillespie:

Mr. Gillespie: Mr. Chairman, the tourism department, first of all, the Member noted the value of Dawson City to the tourism industry in the Yukon and there's no questioning that at all.

The tourism department, though, is not just responsible for looking after the interests of Dawson City. It's also responsible for looking after the interests in Watson Lake, Haines Junction and other places throughout the Yukon and in Whitehorse itself.

I'm not sure that we should be directing all our attention specifically to Dawson City in regards to tourism. We also have obligations for our other two hundred places.

Mr. Chairman: Mr. Fleming?

Mr. Fleming: Thank you, Mr. Chairman. Yes, Mr. Chairman, I sympathize with the Member from Klondike, very much so and the little remark I made about Teslin was just something to say.

I have a question or two and I find myself always - and Dawson City is a long ways away and there's another constituency however, I feel for those people and I'm wondering if I really knew the answer which way I would think about something like this and yet there's no way from the government's side that I'm ever going to get the answer. I've always known that and I can see it in front of me here that that is not going to be the answer as to how much money it would cost to move to Dawson City or anything like that, because there are so many things that they can put on paper and make it very simple.

A vehicle costs \$7,000.00 because it's in Dawson City, I don't know why, but there's a vehicle out in the yard there now, I presume, that Parks or whatever can use or the tourist industry and that's costing us money just the same. I don't think it would be much different if it was another vehicle, however, that is more or less a pool vehicle and probably not charged to all the time to that department, so there might be some difference, but I find that they're quite willing to put down the total figure of what it might cost, it looks like.

As to the one remark, or the answer, whether it was a remark or an answer, that Mr. Gillespie gave on the cost of travelling in the Yukon Territory and being in the

centre in Whitehorse here, it seems to be so much better, cheaper. I would say that that is absolutely wrong. It does not cost any more to go from Dawson City, at that end of the Territory and to Watson Lake and back to Dawson City, than it does to operate out of here and go to Watson Lake and come back here and then go to Dawson City and come back here. So that's not a very valid argument. The mileage is exactly the same, the cost would be exactly the same and there's no -- there'd be no more cost in travelling, other than maybe coming directly to Whitehorse on trips that were not -- I agree with that. But on an overall picture, there is no difference travelling from Dawson City to the other end of this country than it is travelling to the middle, if you have to work both ways.

There are many figures in here that -- I can't say they're not true figures because I don't know and I'm not going to argue about them, however, they don't look to me as if they are an added expense. They look to me as if they've taken the expense right from where it is and possibly added some more on because that would be it. I don't think it's a true picture, myself.

Mr. Chairman: Mr. Lengerke?

Mr. Lengerke: Yes, Mr. Chairman, first I must commend the City of Dawson for their submission. The next thing, of course, is that I'm really a bit surprised at the results of the White Paper, the information we did receive, because we did call for a feasibility study, if that's what you want to phrase it as and we've only got one side of the coin. We've got a figure here showing, or a piece of paper here showing us some costs, but what about the benefits? And how, really, how does it affect the program? I'd like to see something in writing to -- the delivery of services. There are many other questions that need to be answered before I could accept this as being conclusive, Mr. Chairman, that's for sure.

I have to agree with the Member from Klondike when he was mentioning the Clinton Creek situation. I was a little bit surprised that the Minister of Health and Welfare, when she talked of Clinton Creek and she was questioning the Member from Ogilvie. Certainly it's the responsibility of the government of Yukon to be looking at the Clinton Creek situation as well and I would, you know, I would have hoped that we'd already have our economic team of people doing some work on that one and coming up with some answers and alternates as well. Possibly they've been doing it, I don't know, but certainly that's a responsibility of the government of Yukon and we shouldn't be waiting for a number of pressure groups and interest groups to also be doing theirs. We certainly need their support.

But I'm not happy with the results that we have here before us today, Mr. Speaker, I couldn't really -- or Mr. Chairman, I couldn't really give you an opinion or not on this one, because there just isn't enough information.

Mr. Chairman: Mrs. Watson?

Mrs. Watson: Mr. Chairman, looking at the advantages and the disadvantages and there probably is a balance either way too, that it would be a disadvantage to move the central tourism office, territorial tourism office to Dawson City, that it should remain in Whitehorse. But, Mr. Chairman, we always come up

with this answer and we are always saying that we should be decentralizing and taking everything so that everything isn't just centralized in Whitehorse and we should be making a positive step in that manner.

I think, Mr. Chairman, even though it may not be the most sensible thing to do when you look at travel and cost of travel, but why don't we try some suggestion such as this. Nothing would be, you haven't got a better test case to work with than Tourism and move it to Dawson.

I don't think that the Honourable Member from Klondike meant that if the central tourism office goes to Dawson that they're just going to be worried about Dawson's tourism, because then I couldn't agree with him, but I think that they can handle the Tourism at Haines Junction and at Watson Lake as well from Dawson as they can from Whitehorse.

Mr. Chairman, the paper, I don't think it was a very in-depth study, does suggest that it would take an initial capital expenditure of \$360,000.00. Yesterday we sat here and passed a piece of legislation without batting an eye, guaranteeing a loan of \$400,000.00 for the Credit Union. We never batted an eye. The benefits that are going to accrue from that aren't really—we're not really going to see those benefits that much. If a \$360,000.00 investment was made in the City of Dawson, let's look at the spin-off that the witnesses the other day, this afternoon, were talking about, seven to one - \$360,000.00 alone, there would be a spin-off in Dawson, plus your extra employees.

Mr. Chairman, when we were doing the teacher training program and I don't recall whether I stood up and said it or not but from the time that I've heard that there was going to be a teacher training program, or they were considering having a teacher training program in the Yukon, I had thought that it should be in one of the smaller communities where will be training most of the teachers to go. I had thought that Mayo should have the teacher training program, and I still think so. Everyone says I'm crazy. But unless we start doing things like that, we're not ever going to split up and move the government services out of one central area.

Mr. Chairman, I have a great deal of sympathy with the Dawson presentation, and it's not only sympathy, I'm prepared to put my money where my words are. I'm prepared to take the risk on it. Again, we will tell sooner or later whether it was a wise decision or not. After all, don't forget I don't know how many years ago, when they moved every office from Dawson to Whitehorse and we're only thinking of moving one back to Dawson.

Mr. Chairman: Ms. Millard?

Ms. Millard: I'm very sorry the Minister of Health and Welfare isn't here at the moment, as I have some questions to ask her. There she is. I was really glad to hear her mention that other departments of the Territorial government should consider the possibility of moving away from Whitehorse. It's an excellent proposition, and it's something that has been brought up in an inter-agency workshop, "There Must Be a Better Way", held in November. There were two resolutions there, dealing with the very fact of decentralization, and I would like to mention them. One is in Education: 'there be a decentralization—this is a recommendation from one of the units—that there be a decentralization carried

out of educational and residential facilities for children operated by governmental departments.' That's pretty straightforward.

The other one I would certainly like to hear the comments of the Minister on: "That there is a tendency to send children to Whitehorse from rural areas because of poor home life, lack of facilities, et cetera. A solution to this problem is to provide more group homes in local areas for older students. There should be a greater decentralization of facilities." I would certainly like to hear the Minister's comments on those.

Mr. Chairman: Mrs. Whyard?

Hon. Mrs. Whyard: I caught the last half of that, I think, Mr. Chairman. As the Honourable Member full well knows, we have group homes in each community where such children require special accommodation, and one of the criticisms we've had of our group home in Dawson has been that there are very few children using it. However, we have kept it open and we have no intention of closing it. If more children in the area require such care, I know it would be provided there.

Mr. Chairman: Ms. Millard?

Ms. Millard: Mr. Chairman, I certainly don't want to get into a Social Welfare argument, but there certainly are a number of children being sent from Mayo and Dawson to Whitehorse to Wolf Creek and other facilities, and that the recommendation does read, "provide more group homes in local areas for older students."

There are many students that are coming to Whitehorse that need not to come, and children sent for other problems as well. At least, that's one consideration of decentralization, and there were two motions. I was going to ask that in Question Period just to see how much action had been taken on that; however, the idea has come up here. I think there are two general questions on the decentralization consideration. One is a general question on the philosophy of decentralization and I don't think that's been solved, as far as Tourism is concerned, and we're only just now throwing around ideas of other particular decentralization policies.

At the bottom of the White Paper on Decentralization, Mr. Gillespie has said; "We will continue to examine the feasibility of decentralizing units of government to areas outside of Whitehorse."

Since we've had this paper for quite some time, since November last, how much continuation of examining the feasibility of decentralizing other units of government has been done to this time, and how much is going to be done in the future?

Mr. Gillespie: At this point in time, Mr. Chairman, or during this period of time, not much has been done. We've been in the middle of a Budget Session and subsequently, we've been dealing with legislation here in the House, and there has been little time to do work on decentralization. So, for the moment, the answer is, very little. As we say, we will continue to examine this issue, but it is not a simple issue. If you examine what other governments do when they examine the feasibility of decentralization and establish policies in that regard, there are generally many years spent on that topic.

alone. It's not nearly as simple as it might appear.

Hon. Mrs. Whyard: Mr. Chairman, one comment. The Federal Government appears to implement its decentralization just before a by-election somewhere.

Mr. Chairman: Mr. McIntyre.

Mr. McIntyre: Having been through some decentralization that the Federal Government initiated in the Yukon a few years ago, I can see that what really happens with decentralization, you get twice as many people doing the same amount of work that was done before. I think that to take one isolated case like this, and make a decision on it would be just absolutely foolish. We should have an in-depth study to find out what particular department or what particular phase of government would best be suited to be decentralized, and not out of a clear blue sky, pick Tourism, and say, this is the one we should make the decision on.

I think the whole matter requires a great deal more study than has been given to the whole subject, and in this subject in particular, we've got a very frivolous cost statement of this move, and we haven't got any cost benefits. I think before we could do anything, we have to have a cost benefit analysis of any more that might be suggested.

Mr. Chairman: Mr. McCall.

Mr. McCall: Are you closing off debate, Mr. Chairman?

Mr. Chairman: I would hope you were, Mr. McCall.

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

Mr. Fleming: I second that.

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

Some Members: Question.

Mr. Chairman: Are you agreed?

Some Members: Agreed.

Mr. Chairman: The motion is carried.

(Motion carried)

Mr. Chairman: The witness is excused.

(MR. SPEAKER RESUMES CHAIR)

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

Mr. Hibberd: Yes, Mr. Speaker. The Committee of the Whole considered Resolution number 25 respecting environmental impact studies on the Dempster Highway, and directed me to report that they do not concur in same.

The Committee have also considered the green paper on Bid Differentials for Northern Enterprise, and directed me to report they have adopted a certain resolution in respect thereto.

The Committee have also considered the White Paper on Decentralization, and directed me to report progress on same.

The Committee 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: 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 if five o'clock.

Mr. Speaker: I believe a motion for adjournment would be in order as it is now past five o'clock.

Mr. Lengerke: Mr. Speaker, I move that we adjourn.

Mr. Speaker: Is there a seconder?

Hon. Mr. Lang: I'll second that, Mr. Speaker.

Mr. Speaker: It has been moved by the Honourable Member from Whitehorse Riverdale, seconded by the Honourable Member from Whitehorse Porter Creek, that we do now adjourn.

Are you prepared for the question?

Some Members: Question.

Mr. Speaker: Are you agreed?
I shall declare the motion has carried.

(Motion carried)

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

(ADJOURNED)

1161047701 1977
1977 (Special Session)



The answer to the question is as follows:

On April 26, 1977 the Honorable Member for Tully submitted written question 10000 to the Minister:

"In view of the fact that the Farro Farm is plagued by beetles and in view of the fact that the plaque is spreading, what is the Territorial Department of Health considering as a remedy other than fumigating the hives that are affected?, and can the Department of Health assure the residents of Farro that the insecticide used for fumigating is not harmful?"

The answer to that question is as follows:

This problem has had our attention since the fall of 1976.

The beetles in question are the same species associated with coral. They are not considered a health hazard, but are a public nuisance and unsightly.

The problem is one apartment block and there is difficulty with access to one particular apartment.

Our Environmental Health Officer will be in Farro the week of May 9, 1977 for investigation and discussion with the owner, Board of Health, landowner, and tenant.

The insecticide is called "Buggynip" and is a well recognized insecticide. Its safety is dependent upon its correct use. We are hoping to remove all the people at one time from the entire building however we may require legal action as one tenant is not cooperating.

Even then there is no guarantee that the bugs will not re-occur.

April 27, 1977

[Signature]
Flo Bigard
Member
Executive Committee

1161047701 1977
1977 (Special Session)



The answer to the question is as follows:

On April 26, 1977 the Honorable Member for Tully submitted written question 10000 to the Minister:

In view of the fact that the Farro Board of Health has completed its study on the proposed expansion of the Farro Farming Station and presents its proposal in the Regional Director of Northern District Services, and presumably the Territorial Health Department has received a copy of the proposal, can the Minister address me on the following questions:

1. When will the decision be made with respect to the expansion of the Farro Farming facilities?
2. Can we expect the construction to start this year?
3. What is the total amount of funds available for the total and territorial expansion?

The answer to that question is as follows:

1. In its proposal, the Farro Board of Health have suggested that the facility be expanded from 4 to 20 beds. The Northern District Regional Office that an early decision be made on the expansion of the number of extensions of 12 it should be completed by the Regional Office (Department of National Health & Home Care) has, at this time, made limited progress on this Report and anticipate it will take 3 to 4 months to complete.

The decision is not so much one of expansion but rather the amount or form of expansion which is required. The decision cannot be made until the Report by the Regional Office is completed.

2. At this point in time, the Regional Office is not prepared to make any commitments on the start of construction.

3. In the 1977-78 Estimates, Establishment 2601, V.T.C. has provided \$20,000 for design and engineering studies. It is anticipated that a further \$100,000 will be called upon for a further \$100,000 in 1978-79 and that the total cost will be in the region of \$720,000.

April 27, 1977

[Signature]
Flo Bigard
Member
Executive Committee

