

Yukon Act

Mr. Hamilton (Qu'Appelle): In answer to the first question about the extent of the borrowing, I do not think anyone could answer that precisely. The hon. member will notice that subsection 3 reads:

No money shall be borrowed or invested under the authority of this section without the approval of the governor in council.

We have maintained that control in order to keep an eye on the extent of their borrowings in relation to their income, and even though we do not know the exact amount they will be borrowing, as no one could be expected to know, we do have control on the extent of their borrowing, something the same as obtains under the powers of a local government in a province.

The type of borrowing we have done to date has required coming to the House of Commons under the Appropriation Act. The two loans that we have agreed to so far are for a sewer and water system in the city of Whitehorse and a hospital in the city of Whitehorse. These are the two loans they requested before, but I think the procedure is under discussion with the territorial government and the local councils, in this case the city of Whitehorse. If they come up with a capital expenditure they are not able to cope with within their own finances they request us to participate. In the past we have had to bring an amendment to an act before the house before we could lend them that extra money for capital expenditure. This simply empowers the territorial government to borrow without coming to this house and asking for legislative amendments to an existing act, but we do control the limit or the extent of the borrowing.

Mr. Martin (Essex East): I think the minister mentioned an expenditure of \$300,000 for a hospital at Whitehorse.

Mr. Hamilton (Qu'Appelle): The loan was \$750,000.

Mr. Martin (Essex East): Does that take into account grants given by the federal government under the national health program with respect to available funds for hospital construction, or is the \$750,000 in addition to moneys paid out for hospital construction?

Mr. Hamilton (Qu'Appelle): I have not the full records here in this particular file of the loan or of the affairs of the hospital at Whitehorse in the Yukon; but my memory is—and I am fairly sure I am right—that the total cost was just short of \$4 million. This was broken down into several parts. The city of Whitehorse had to contribute, I think, \$1 million. This is purely from memory. In connection with the hospital in

[Mr. Argue.]

the city of Whitehorse they had to put up a certain amount, which I think was \$750,000, and they had to come to us to borrow the \$750,000. Then the Department of National Health and Welfare put a sizeable amount into it as well.

Mr. Martin (Essex East): They made an outright grant of \$2 million, I think.

Mr. Hamilton (Qu'Appelle): I have forgotten the exact amount, but I think it was a major item. Then the Department of National Defence made a contribution. Therefore we have the territorial government, the city of Whitehorse, the Department of National Defence and the Department of National Health and Welfare all contributing to this hospital. Since Whitehorse did not have the money we had to bring in an amendment to the Appropriation Act to make it possible for us to allow the commissioner in council to borrow this amount on behalf of the city of Whitehorse.

Mr. Martin (Essex East): As I recall it, the grant to the hospital by the Department of National Health and Welfare was an ad hoc grant. I was wrong in attributing to it the authority of the national health program. When was the request made for the loan that is now requested of the federal government for the hospital? Was it within the last three months?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I have not the information here as to the date when the request for that money was made. I certainly know it was before the time I came to the department. I can look for the information and have it available for the hon. member. I made one mistake when I spoke of the loan of \$750,000. The loan was not for the city of Whitehorse; it was for the territorial government, which was borrowing the money for its participation in the hospital cost.

Mr. Martin (Essex East): The reason I asked the question is this. If the federal government thought it desirable to make an outright grant of \$2 million, which may or may not be accurate, what I cannot understand is why the remaining moneys are given by way of a loan and not by way of an outright grant.

Mr. Hamilton (Qu'Appelle): The understanding I have of the responsibility here is that, putting it under our local situation, when you build a hospital there are certain government grants that go to that hospital, as to all hospitals, but in the case of the Whitehorse hospital the Department of National Defence have a responsibility because they have people in the community