



The Yukon Legislative Assembly

Number 2

1st Session

25th Legislature

HANSARD

Tuesday, July 13, 1982 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER — Andy Philipsen, MLA, Whitehorse Porter Creek West

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government Leader — responsible for Executive Council Office, Finance, Public Service Commission, and Economic Development and Intergovernmental Relations.
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Municipal and Community Affairs, Highways, Yukon Housing Corporation, and Yukon Liquor Corporation.
Hon. Howard Tracey	Tatchun	Minister responsible for Health and Human Resources, Renewable Resources, Government Services, and Public Works.
Hon. Clarke Ashley	Klondike	Minister responsible for Justice, Consumer and Corporate Affairs, and Workers' Compensation.
Hon. Bea Firth	Whitehorse Riverdale South	Minister responsible for Education, Tourism, and Heritage and Cultural Resources.

GOVERNMENT MEMBERS

(Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
Kathie Nukon	Old Crow
Andy Philipsen	Whitehorse Porter Creek West

OPPOSITION MEMBERS

(New Democratic Party)

Tony Penikett	Whitehorse West Leader of the Official Opposition
Maurice Byblow	Faro
Margaret Joe	Whitehorse North Centre
Roger Kimmerly	Whitehorse South Centre
Piers McDonald	Mayo
Dave Porter	Campbell

(Independent)

Don Taylor	Watson Lake
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Clerk of the Assembly
Clerk Assistant (Legislative)
Clerk Assistant (Administrative)
Sergeant-at-Arms
Hansard Administrator

Patrick L. Michael
Missy Follwell
Jane Steele
G.I. Cameron
Dave Robertson

Whitehorse, Yukon
Tuesday, July 13, 1982

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

DAILY ROUTINE

Mr. Speaker: Are there any Returns or Documents for Tabling?

TABLING OF RETURNS AND DOCUMENTS

Hon. Mr. Ashley: I have for Tabling the Annual Report of the Yukon Transportation Public Utilities Board, 1981-82. I have for Tabling, also, the Annual Report of the Yukon Electrical Public Utilities Board, 1981-82.

Hon. Mrs. Firth: I have for Tabling a Report entitled Yukon Teachers' Staff Relations Report.

Hon. Mr. Pearson: I have for Tabling the Yukon Public Service Staff Relations Board Twelfth Annual Report, 1981-82.

Mr. Speaker: Are there any Reports of Committees?
 Presentation of Petitions?
 Reading or Receiving of Petitions?
 Introduction of Bills?
 Are there any Notices of Motion for the Production of Papers?
 Are there any Statements by Ministers?

MINISTERIAL STATEMENTS

Hon. Mr. Tracey: I would like to take this opportunity to inform this House, and most particularly all the Yukon senior citizens, that the extended health care plan, which we announced in the Throne Speech at the commencement of the Spring sitting of this Legislature, came into effect July 1st.

My department tells me that it has reason to believe that there are a number of senior citizens who are eligible for benefits under this plan who have not yet registered for it.

I would like to emphasize the conditions of eligibility and urge all of those who qualify to register and enjoy the benefits to which they are entitled. All Yukon senior citizens are eligible, providing that the person is a resident of Yukon, the person is 65 years of age or older or is 60 years of age or older and married to a person 65 years of age or older and the person has a valid pharmacare card. All doctors' offices, public health nurses, dentists and optometrists throughout the Territory are now in possession of the guidelines.

Eligible applicants may register at all Public Health Stations, and all Territorial agents have application forms for Pharmacare. In Whitehorse, applications for registration may be made at the offices of the Health Services Branch in the Government Administration building.

Our Public Relations Bureau is in the process of launching a publicity campaign to make all senior citizens aware of this new plan, and it is my most earnest hope that all of those eligible will act quickly to enjoy the benefits it confers.

Also in the spring sitting, we passed the *Income Supplement for Seniors Act*, which also came in effect on the first of this month. The eligible age groups are the same as for the extended health care program and all those senior citizens now receiving their Federal guaranteed income supplement will be receiving their Yukon income supplement in the latter part of this month. All senior citizens not in receipt of the Federal income supplement, but who have no source of income other than old age security or perhaps a very small additional income, may be eligible for the Federal guaranteed income supplement. They can check on their eligibility and obtain application forms

at all Health and Human Resources offices throughout Yukon.

Mr. Kimmerly: I can be very brief in responding to this statement, which is essentially an informational statement. The one announcement is that there will be a publicity campaign. Of course, we are in general agreement with making information about these very worthwhile programs as available as possible. This is not the place to enter into a debate about government publicity campaigns in general, although I would point out that in this particular case, because the senior citizens are relatively few in number in the Yukon and are known through government records, that it probably would be possible to contact them, especially the more elderly and especially the people who are known to probably not read.

In addition, I would point out one possible omission. It is not mentioned that the application forms are available from social workers and social workers' rural offices. If that is not the case, I hope it will be corrected in the near future.

Hon. Mr. Pearson: To date, twenty sub-agreements have been reached in Yukon Indian Land Claims negotiations. The Agreements cover the following topic areas: 1. Elders Agreement; 2. Amended Elders Agreement; 3. Eligibility and Enrollment; 4. Hunting; 5. Fishing; 6. Trapping; 7. Land Use Planning; 8. Education; 9. Health Care and Social Programs; 10. Housing; 11. Upgrading of Municipal Services; 12. Land Tenure; 13. Land Selection; 14. Local Government for Carcross; 15. Community Planning in Carcross; 16. Settlement Lands for Carcross; 17. Land Quantum for Champagne-Aishihik, Whitehorse and Teslin; 18. Local Government for Burwash; 19. Local Government for Destruction Bay and Beaver Creek; 20. Settlement Lands in Burwash/Beaver Creek area.

Nine of these agreements were reached within the last twelve months. A summary of five sub-agreements relating to the Elders Program, hunting, trapping, fishing and land use have been released to the public.

Mr. Speaker, on April 7, 1982, the Twenty-Fourth Council passed a resolution, "That the Government of Yukon again seek the concurrence of the Council for Yukon Indians and the Government of Canada, in order that all Agreements-in-Principle which have been reached during Land Claims negotiations between the Government of Yukon, the Council for Yukon Indians and the Government of Canada, may be tabled in this Assembly."

As a result of that resolution, I telexed the respective negotiators, putting forward the request of the House. On April 20, 1982, I received a response from Mr. Dennis O'Connor Q.C., the Federal Land Claims Negotiator. He stated that he had discussed the matter with the negotiators for the Council for Yukon Indians and the Government of Yukon, and that all were of the view that the agreement should not be released automatically, but should only be made public upon the joint decision of the three negotiators. Mr. O'Connor explained that all of the agreements were conditional upon the achievement of an overall agreement-in-principle, and that the negotiating process was such that in some areas, interim agreements reached were specifically conditional upon agreement being achieved with respect to other matters.

He pointed out that when they did release agreements, they preferred to do so in the form of a summary rather than releasing the document itself, since all of the agreements would have to be reviewed for drafting corrections before being incorporated in an overall agreement-in-principle. I have instructed my negotiator to work with the Federal and CYI negotiators to make as much information as possible available to the public.

At the recent CYI General Assembly, Mr. Speaker, the Government of Yukon reaffirmed its commitment to work with the Yukon Indian people and to deal with Land Claims as a matter of first priority. We believe that the negotiations have reached a point where some of the agreements should be implemented now. The proposal regarding Yukon land, that was given to the Minister of Indian Affairs and Northern Development on April 20th, is an example. It calls for

making land available to all Yukoners, Indian and white. The Government of Yukon wants a settlement now, not years from now. Thus, we are doing everything in our power to expedite a Land Claims settlement that is fair to all Yukoners. The amendment of the *Wildlife Act* demonstrates our good faith in bringing Land Claims to an expeditious and successful conclusion.

Mr. Speaker, I am pleased to advise you and Members of the House that Land Claims talks resumed in Whitehorse yesterday. Thank you.

Mr. Penikett: I will respond very briefly to the Government Leader's statement on this question. I want to first, though, thank him for making the statement. I think it is the first that this House has heard under the leadership of his Government, from him, on this question. The statement is informative in some ways, but it leaves unanswered some questions which we may be pursuing later in this House.

I want to say, for my part, and for my Party, that there are a number of questions concerning the land claims negotiations that do not so much concentrate on the particulars or the details of any one of the agreements, so much as on the bargaining posture of this Government itself.

I would like to mention to the Government Leader one example and that is the issue of aboriginal rights, which for three years I asked him questions about in the House and was able to obtain no answers. An all Party Committee of this House made recommendations which were accepted by the Government and went forward to the joint Senate-Commons Committee on the Constitution. We subsequently found that the bargaining position of this Government at the table was different than the one that many of us in the House imagine it to be, and it was, in fact, that aboriginal rights were not aboriginal rights but simply common law rights. When we discovered that it was a surprise and a disappointment. It leaves open some questions about who is defining this Territory's position at the bargaining table, who has input into those positions, since these questions have not been debated or discussed in this Assembly, and I am talking about questions of principle. I would, in thanking the Minister for his statement today, give notice that these are matters that I would hope to be pursuing.

Mr. Speaker: Are there any further Statements by Ministers?

Hon. Mr. Pearson: Mr. Speaker, Honourable Members, the current economic recession is having an impact on Yukon and its people far beyond anything that could have been foreseen six months ago. The closure of the United Keno Hill mine at Elsa, in combination with the closures already announced at Whitehorse Copper and Cyprus Anvil, constitute a disaster to the Yukon economy as well as to the mining personnel themselves and their immediate communities. It will be no surprise, therefore, that the Government of Yukon has found it necessary to undertake a program of retrenchment in order to bring our spending plans into line with the financial resources available.

Mr. Speaker, at the time our Main Estimates for 1982-83 were prepared in February of this year, we anticipated a total of \$122,198,000 in O & M recoveries, transfer payments from the Federal Government and other revenues. In summary, these amounted to \$20,786,000 in recoveries, \$6,273,000 in the form of established program financing payments from the Federal Government, \$23,229,000 in income tax, \$43,088,000 as an O & M grant from the Federal Government and \$28,822,000 in local revenues.

The foregoing projections were made by my officials when the Budget was prepared in February in the light of the best information available at that time.

I want to emphasize to Honourable Members that there was no manipulation of these figures. They were prepared in good faith on the basis of the evidence available.

With regard to expenditures it was the deliberate choice of the Government to stay within the limits of the financial resources available. O & M Expenditures were planned to give the Government a surplus of \$1,604,000, and in capital, expenditures in the amount of \$37,438,000 were approved on the understanding that we would have a surplus of \$113,000.

Since the estimates for 1982/83 were prepared, there has been a devastating succession of blows to the Yukon economy, and I would like to table a list of these events, showing their timing in relation to the tabling of the budget on March 25th. This document is entitled Document No. 1. The consequences of these developments in relation to Government revenues area shown in Document No. 2. Honourable

Members will note, in particular, the very large reductions expected in revenues which amount to a total of \$13,040,000. It is obvious that a deterioration in revenues of this magnitude cannot continue without drastic implications for planned expenditures.

In response to the situation facing us, the Government has adopted a program of expenditure reduction as a means of bringing revenues and expenditures into line. In spite of our efforts, however, it is unlikely that we can surmount our difficulties without substantial support from the Federal Government. It is equally apparent that we will not be in a position to finance essential supplementary estimates or to embark on a course of remedial action to mitigate the impact of the recession without the close collaboration and assistance of the federal ministers.

The reductions in expenditures, which have been adopted by the Government, are as follows: 1. The deferral of capital projects amounting to \$15,986,000. This includes the renovations to Christ the King School, the windows for the George H. Jeckell School, the Haines Junction sewage lagoon, the Watson Lake sewage lagoon and the twenty-four unit apartment building at Faro.

2. A reduction in O & M expenditures of \$3.7 million. There is a cut of \$37,500 in the grant to the City of Whitehorse for the operation of the Pipeline Impact Information Centre for this year and last. \$770,000 represents a reduction from 12% to 10% for teachers salaries. A similar reduction of just over \$1,000,000 represents a cut from 13½% to 10% for public service salaries. It has also been decided that the government will not pay retroactive salary settlements to employees who have left the Public Service. This represents a saving of \$150,000. A further saving of approximately \$1.8 million will occur as a result of the mine closures and other economies in our operations.

Document No. 3 illustrates the implications of these reductions in expenditures and shows the full impact of the recession on the operations of the Yukon Government.

This shows in greater detail the proposed expenditure plans as set out in the Main Estimates, together with the reductions in financing that have come about since that time and the cuts in expenditure that have been made by the Yukon Government to keep within the financial resources available.

Although we can anticipate some further economies arising out of the impact of the recession, we have concluded that there is no longer any possibility of financing our operations with the revenues available if there is any further deterioration of the economy. The most serious implication of this situation is that we have exhausted our capacity provide for essential supplementary estimates, or to take any initiatives in the community at large to mitigate the hardships imposed upon us by the recession.

In order to come to grips with the disastrous circumstances which surround us, the Yukon Government is currently preparing an analysis of the problem and a set of proposals which I intend to use as the basis for a series of discussions I will be holding with federal ministers during the next few weeks.

In the first instance, my approach to the Federal Government will be to request sufficient assistance to enable us to meet our continuing program obligations. Secondly, it is our intention to develop proposals for remedial action, not only to reduce hardship arising out of the recession but also to do whatever we can to sustain economic activity that might otherwise be suspended. This can be done unilaterally by the Yukon Government, provided it has the money. It can be carried out unilaterally by the Federal Government, or it can be done jointly by the Federal and Yukon Governments working together. Our approach will be to develop with the Federal Government, to whatever extent we can, a joint approach to our problems, with the Yukon Government providing the fullest co-operation and assistance within the resources available to it.

We are not alone in having to make cuts in our programs. For example, Members may have noticed that Premier Buchanan of Nova Scotia announced cuts of between 50 and one hundred million dollars last week. But Yukon is unlike any province because we simply do not have the tax base to give us any real flexibility. Large increases in territorial income and other taxes might allow us to avoid some of the cuts which I am proposing, but Yukoners need jobs, not tax increases. For that reason, I have ruled out increases at this time.

This government has taken the only action — however painful this may be — that Yukoners can be expected to accept in these difficult

times. Now that Yukon has done its part, I am hopeful that the Federal Government will respond to our unique situation: an economy that is resource based and resource led like no other in Canada.

In this grave situation, Yukon must speak with one voice. I have put aside partisanship in the interest of helping Yukoners. It is my responsibility to put our case urgently and clearly to the Federal Government. I want to demonstrate our case as effectively as possible. To that end, I am convening a meeting with a representative cross-section of Yukon interests. I am inviting representatives of the Chamber of Commerce, the Chamber of Mines, the Council for Yukon Indians, the Yukon Federation of Labour, and other interested groups for a one day conference a week from next Monday.

I am also inviting the leaders of the New Democratic Party and the Liberal Party to attend as well. Participants can be assured that they can bring forward any ideas or any proposals they may have. They may be assured also that I will listen to them and that I will report to the Federal Government. We will be looking for the widest possible measure of support for our basic approach to the Federal Ministers. I am confident that in today's climate we can and must work together. I have been impressed by the efforts that the Federal Government is making to consult a wide range of Canadians and I simply cannot imagine that spirit not extending to Yukoners.

In conclusion, I cannot emphasize too strongly the seriousness of the situation with which both the government and the wider Yukon community are faced. The vulnerability of the Yukon economy makes us particularly susceptible to fluctuations in the world markets and other economic factors over which we have no control. I do not propose, however, to use this as an excuse to sit back and wait for the Federal Government or the private sector to correct the situation. I think it is a time when all sectors of the community, whether they are public or private, whether federal or territorial, must co-operate to the fullest possible extent, if Yukon is to maintain some degree of economic viability and social stability.

It is my intention to report to the House at the next sitting in the Fall on the results of our negotiations with the Federal Government.

Mr. Penikett: Earlier this year, this Government's economic research and planning unit predicted a 30% unemployment rate for Yukon. This projection is now proving to be frighteningly accurate. Today, for the first time since the gold rush, we must face the terrible prospect that Yukon may have no operating mines by the end of this year. If that terrible eventuality were to occur, there would not be a recession, it would be a depression, no matter what dictionary one used to define the word.

The last great depression was a conservative depression and so may be the next. The world is now suffering the effects of insane policies of the current conservative government of the United States: high interest rates, unemployment and bankruptcies. The only beneficiaries of this policy are the super rich. My party is opposed to those policies. We do not want another depression. There are now about 12 unemployed persons in Yukon chasing every available job. This is a very, very serious situation. We believe it should have been addressed in the budget presented to the Legislature this Spring. It was not. Now, at long last, the Government party has acknowledged unemployment as a big problem and for that I am thankful.

For months, we, in this Party, have said that the revenues in that Budget were overbudgeted and overstated and the expenditures were understated. I am truly sorry to say that we were right. As recently as last month, the Government Leader insisted that he would bring back the same Budget to this House. Today, he admitted that he was wrong. I derive no satisfaction whatsoever from that.

The Minister of Finance is now also the Minister of Economic Development. Under the circumstances, I think I would have done exactly the same thing, for it is obvious that until now, ERPU forecasts have not been built into our Budgets as they ought to have been. Today, the Government Leader has said that we require Federal support more than ever. That is obvious. In order that Yukon businesses do not suffer from a poor relationship between this Government and the one in Ottawa, I would urge the Government Leader to forego the gratuitous, abusive and costly insults about the Federal Government that has sometimes been his Cabinet's custom until such time as our economy can again afford such luxuries.

In addition to new grants, we should now negotiate with Ottawa for emergency programs to get people to work this summer so that they can at least qualify for unemployment insurance next winter. I do not want to see a world with everybody on unemployment insurance, but last year, for example, there was \$8.5 million dollars which came into Yukon by way of unemployment insurance and it will not be there next winter if there are no, or insufficient, summer jobs available.

The Capital Budget, about which the Government boasted during the election campaign, is now a pale imitation of its former self. And cuts are proposed in the Territory's wage bill. We are to have some wage controls, but no price controls, it seems. I want to say this now and I say it seriously, there are other expenditures which could be reduced. I understand that over \$3 million dollars is budgetted for travel by officials of this Government outside the Territory. Many of these trips, upon examination, will, I believe, be found to be non-essential. At a time like this, I think that we all believe that we ought to spend as little as possible of the Yukon taxpayer's money outside the Territory, whether it is on contracts, services or whatever.

The Government Leader is now prepared to listen to Yukoners during this crisis. That is good. We will cooperate. But he must remember that cooperation is a two-way street. With power comes responsibility. If he wants business, labour, the Indian community and the opposition party to share some responsibility for the sorry state we are in, he must recognize that responsibility without power is an awful thing. If community leaders are to participate in developing an economic recovery plan for Yukon, we must have all the facts available, and governments, both Federal and Territorial, must listen to people other than their friends, for a change.

I accept, on behalf of my Party, the Government Leader's invitation to the conference a week hence, and as always, we will have some constructive suggestions to make at that time.

Mr. Speaker: Are there any further statements by Ministers? This then brings us to the Question Period. Have you any questions?

Question re: Land Claims

Mr. Penikett: Thank you, Mr. Speaker. I have a question for the Government Leader, to which I gave him notice a few minutes ago.

During the recent General Election, the Conservatives campaigned as the voice of non-Native Yukoners at the Land Claims negotiations. Is that in fact the self-proclaimed role of this Government at the Land Claims Talks?

Hon. Mr. Pearson: Mr. Speaker, I have never, ever claimed that I was the voice of any Yukoner, other than all Yukoners. We are there representing all of the people of the Territory. We are part of the Federal negotiating team representing all of the people of the Territory at those Land Claims negotiations.

Mr. Penikett: Thank you, Mr. Speaker. I know the Government Leader doesn't read the Whitehorse Star, but perhaps someone could show him some of the Conservative Party ads. If the Government claims to represent all Yukoners at these talks, can the Government Leader explain how he obtains the views of the Yukon public, since he has never even explained to this Legislature the Government's bargaining position, nor asked for our views, much less those of the public in Yukon.

Hon. Mr. Pearson: Mr. Speaker, I have now run and been elected twice on a platform that said that I was for an expeditious settlement of Land Claims as quickly as possible, and that I thought that I could put into place a regime where all Yukoners would be represented. Mr. Speaker, I am here because of that platform.

Mr. Penikett: Mr. Speaker, I suspect there are very few people left in Yukon, much less the Legislature, who oppose that position. What we are interested in is the Government's bargaining position at the Table, at which I hope they are saying more than he has said just now.

We wonder, Mr. Speaker, who determines this Government's position. Is it the negotiator, the Government Leader, the Cabinet, the Conservative Caucus, whomever, and why has this House never been consulted, even about the broad principles of Yukon's negotiating posture?

Hon. Mr. Pearson: Mr. Speaker, negotiations are not going to be carried on in this House. There have been attempts to carry on negotiations in the media, at times, and I do not think that is good. I do not

think it is conducive to good negotiation, and I believe, Mr. Speaker, that if we are not careful, history will repeat itself again. That is, every time Land Claims negotiations, in this Territory, have gotten into the public media in any way, shape or form at all, they have in fact broken off. I do not want to be a party to that happening again.

We, as a Government, represent the people of this Territory in Land Claims negotiations, and the Cabinet, as is properly so, sets the posture and the positions that this Government is going to take in Land Claims.

Question re: Cyprus Anvil shutdown

Mr. Byblow: I have a question also for the Government Leader. It is on the subject of the announcement of the extended shutdown of the mine at Faro. In the coming meetings with Cyprus Anvil, the YTG and the Federal Government over the long term future of the operation, the first of which I understand is next Monday, July 19th, is it the intention of this Government to support the company's appeal in the area of transportation and power costs?

Hon. Mr. Pearson: We, needless to say, will be doing everything we can to try to get Cyprus Anvil Mine back to work at the earliest possible date. It is imperative to everyone in this Territory that Cyprus Anvil get back to work. There has been a meeting of the Government of Canada, the Government of Yukon, Cyprus Anvil Mine and Dome Petroleum. It was a large meeting held in Ottawa. They are shooting for a date of the 19th of July for the next meeting. It may well be the 20th or 21st of July, because some people are going to have to be away on that particular day. It is hoped that the next meeting of this kind can be held at that time. Everyone is there with one objective, and that is to try to do whatever has to be done in order to get the mining industry in the Territory, and specifically Cyprus Anvil, back into operation.

Mr. Byblow: I was hoping for more specific direction on this Government's policy respecting the transportation and power appeal. However, I recognize that the Government Leader accepts the urgency and the importance of the mine's reopening towards any semblance of economic stability to Yukon. Could I then ask whether or not his Government will insist on any long term planning agreement with the company to ensure continued operation of the mine?

Hon. Mr. Pearson: There was a long term planning agreement in effect that was signed in 1966 or 1967, in respect to that mine. I am sure that the agreement is going to have to be looked at in detail, and it is highly likely that another one will be signed. Surely, what Cyprus Anvil has put forward as an action plan indicates now that that particular agreement is redundant.

Mr. Byblow: I do not believe the Territorial Government was a party to that agreement in 1967. However, I would like to ask the Government Leader whether he would support the inclusion of union and Faro town officials in next Monday's or Tuesday's meeting?

Hon. Mr. Pearson: The meeting was called at the request of Cyprus Anvil Mines and their parent company Dome Petroleum. We, as a Government, were asked to be in attendance by Cyprus Anvil mines. I have absolutely no idea who else they are talking to at this time. Cyprus Anvil is the prime advocate in this case. I would also like to inform the Honourable Member that the Government of Yukon was party to the original agreement.

Question re: Rent controls

Mr. Kimmerly: I have a question for the Minister responsible for Consumer and Corporate Affairs. As Yukon civil servants are to receive a 10 percent wage increase, and in the private sector, increases are generally less, and in some cases a decrease, is the Government now considering rent controls at the same level?

Hon. Mr. Ashley: In answer to the question, no.

Mr. Kimmerly: In accordance with the Throne Speech promise of an assessment of the present situation, is the Government monitoring rental increases in Whitehorse in the last year and presently?

Hon. Mr. Ashley: Yes, my department has been monitoring the situation constantly.

Mr. Kimmerly: My supplementary is for the Minister responsible for the Yukon Housing Corporation. I gave the Minister notice of this question. What is the present waiting list for subsidized accommodation in Whitehorse? What is the percentage difference over the waiting

list at this time last year?

Hon. Mr. Lang: There are approximately 79 waiting for the opportunity to see whether or not they were eligible for subsidized housing. Last year, we had a number of approvals for the purposes of accommodation, which I believe numbered 9, and I believe they were housed. This year, family applications approved was 18, unapproved was 19. I do not think there is much point going into percentages, as the Member opposite utilizes them to his advantage.

I should point out, talking on the situation of rental accommodation, in view of the question asked, it would appear to me the rental situation in Whitehorse, and the present market, supply and demand will dictate in large part the prices being asked.

Question re: Indian view by YTG

Mr. Porter: I would like to address my question to the Government Leader. On the June 8th, immediately following the election, the Minister of Municipal and Community Affairs was quoted as saying, "The only thing the Indian people of the Yukon were interested in were 'freebies'." Given the fact that many Indian people of the Yukon pay their own way in society, I would like to ask the Government Leader if this remark represents the views of his Government?

Hon. Mr. Lang: Since the Member opposite is referring to comments I allegedly stated, it was an inaccurate quote to a question that had been put to me an evening before. If the Member had enquired earlier, I would have informed him thereof. I trust that the Member opposite, in view of the fact that he is new to the House, perhaps in a year or so will not take everything that is said in the local *astorisher verbatim*.

Question re: Court backlog

Mrs. Joe: I have a question for the Minister responsible for Justice.

The backlog in court cases right now is incredibly high. Cases are being booked as far away as February, 1983. Is the department monitoring the need for better service to expedite court cases?

Hon. Mr. Ashley: Yes, we are monitoring the situation.

Mrs. Joe: Can the Minister tell us if there is any ongoing research on the backlog of court cases and if, in fact, there are any plans to rectify this matter?

Hon. Mr. Ashley: I am sorry. Could you repeat the question?

Mrs. Joe: Can the Minister tell us if there is any ongoing research on the backlog of court cases and if, in fact, there are any plans to rectify this matter?

Hon. Mr. Ashley: Yes. My Deputy is working on that situation right now. We are hampered by money as all of the Government is.

Mrs. Joe: The Crown Attorney's staff has increased considerably to deal with the high crime rate. Can the Minister tell us if it is the intention of the department to increase the territorial staff and possibly appoint another judge to deal more effectively with these matters?

Hon. Mr. Ashley: I just answered the question. It is a matter of money.

Question re: Government services in Mayo

Mr. McDonald: I have a question relating to the maintenance of government services in the Elsa/Keno area during the shutdown of operations at United Keno Hill mines.

My question is directed to the Minister of Highways. Will the Minister make a commitment to maintain all major roads, specifically the Mayo-Elsa road, and the Elsa-Keno road, in serviceable condition throughout the summer and coming winter?

Hon. Mr. Lang: It is presently being maintained, but I would not make any commitment of that kind. I think the Member opposite is irresponsible in asking me for such a commitment.

Mr. McDonald: I am sure that will be cool comfort to the people currently living in the town.

My first supplementary is put to the Minister of Education. Would the Minister tell the House if the Department of Education has considered the fate of the elementary school in Elsa, or if you might state whether the Government is prepared to keep the school open for the use of the remaining children in the Elsa/Keno area?

Hon. Mrs. Firth: In answer to that question, we have identified fourteen students at the elementary level, left in the Elsa School, and I believe there are approximately nineteen high school students who

will still be busing to Mayo. At present we'll be keeping the Elsa School open, but if we find that, due to financial obligations, we have to close the school, we would certainly be in consultation with the people in Elsa first.

Mr. McDonald: Mr. Speaker, my second Supplementary is put to the Government Leader. Considering the deep uncertainty caused by the mine closure, and the understandable expectation of decisive Government support, would the Government Leader make a clear statement of policy to the House regarding the Government's commitment to the people of the Mayo constituency during this time of crisis.

Hon. Mr. Pearson: Mr. Speaker, I believe that we have already demonstrated our support to them. We have, in fact, had people in Elsa. Mr. Speaker, this is another one of the areas that is being directly affected, very adversely so, by our economic situation. I might take the opportunity to tell the House that the President of United Keno Hill Mines Limited, will be in Whitehorse next Monday, and will be meeting me when he is here. I am hoping that he will have some encouraging news at that time, because there has been an upturn in silver prices, in particular. In conversations that I have had with Mr. Cowan in the past on the telephone, he has indicated that, in fact, the closing of the mine was a direct function of the price of silver, and that should it go up, then they will be very anxious to get the mine back into operation.

Question re: Cabins owned by YTG

Mr. Penikett: Thank you, Mr. Speaker. I have a question for the Government Leader. A constituent has recently reported to me that the Government of Yukon has built and now maintains three cabins on three lakes, Granet, Claire and Sterling, each of which, he says, is a good hunting and fishing spot. Can the Government Leader confirm that these reports are true?

Hon. Mr. Pearson: Mr. Speaker, frankly I don't know anything about them, but possibly one of my colleagues does and could answer the question.

Hon. Mr. Lang: Mr. Speaker, for the Member's information, those cabins were built years ago.

Mr. Penikett: Thank you, Mr. Speaker. I will direct my question to any Minister who can answer it. It has been suggested these cabins are maintained for the enjoyment of this Government's functionaries and guests, and since I find this hard to believe, I would like to ask exactly what is their purpose?

Hon. Mr. Pearson: Mr. Speaker, I can tell you quite unreservedly, I have never been at any one of them, and I am pretty confident that if there had been Government functions at any one of them, I would have known about them.

Mr. Penikett: Perhaps someone would like to take this question as notice then. I would like to ask the Government Leader, or one of the other Ministers, exactly who uses these fishing and hunting cabins, who pays for the use and who in this Government controls their use?

Hon. Mr. Tracey: Those cabins are under the control of the Department of Renewable Resources. They maintain them. They will remain under the Department of Renewable Resources. There is no sense letting them deteriorate. We have the ownership and control of them now and we will maintain them. In the future, if we find some beneficial use for them, we will be using them. Otherwise we will keep them in a ready state.

Question re: Mine closures

Mr. Byblow: Perhaps the Government would like to be invited for a retreat to Faro?

I have a question for the Government Leader on the general subject of mine closures and temporary shutdowns. Again, it is in light of the extended shutdown at Faro. Has this Government taken any concrete measures to ensure that standard government services, such as health, education and social services, in the community are not jeopardized during this period of shutdown?

Hon. Mr. Pearson: Certainly they will not be jeopardized. They may well be reduced just because of the necessity of numbers, but I do not see us closing down services, particularly in the community of Faro, as a result of this shutdown.

Mr. Byblow: However, there are a number of concerns raised with respect to Keno Hill at Elsa. In particular, there is concern for

some miners and their families who wish to remain in residence within the community. Is it the Government Leader's intention to precipitate negotiations with the company involved for continued residence in the community of the people who wish to stay there?

Hon. Mr. Pearson: We have absolutely no grounds for negotiations at all. It is, in fact, a company town. They are company houses owned by the company and they jealously guard their rights to make those kinds of decisions themselves. That is specifically why it is a company town.

Mr. Byblow: On the subject of company towns, is it a position of this government to permit the establishment of company towns in any future mining developments, as we can hope that will happen someday?

Hon. Mr. Pearson: I am sure the Honourable Member recalls that when Faro was established this Government was a strong proponent of the fact that it not be a company town. I personally do not think that company towns are conducive to the orderly developments of the Territory. However, mining companies, when they are developing, sometimes choose to operate in that manner. It is a difficult question.

We have been talking over the years with all of the mining companies involved in the MacPass area, and we have discussed in great detail the pros and the cons of company towns as opposed to open communities.

It is my hope that there will be another community in MacPass and it will not be a company town.

Question re: Public Service salary increases

Mr. Kimmerly: A question for the Minister of Health. As recent developments in the Public Service salary increase have completely bypassed the collective bargaining process as we know it today, can the Minister say whether or not the doctors' contract will be negotiated this year, or will doctors be kept to a government-determined salary increase?

Hon. Mr. Tracey: First of all, I do not believe that the bargaining process has been put on the sidelines under any condition. We went through a bargaining process. The offer was made to the union, they chose not to accept it, and we have a perfect right to make another offer.

As to the rights of the doctors, I would have to take that under advisement. I am not totally knowledgeable of when the contract will be up. I can bring the answer back to the Member tomorrow.

Mr. Kimmerly: Doctors got a 15% salary increase this year, and the percentage system already gives an advantage to those in the larger bracket. Will the Government's position be that doctors ought to take less than the civil service increase this year?

Hon. Mr. Tracey: No. We had an agreement with the doctors. It is signed, sealed and delivered. I would not renege on that agreement. In the future we would perhaps ask the doctors to take a smaller increase because of the fact that the people of the Territory did not get as large an increase as they perhaps feel that they should have. I will not be in a position to ask the doctors to decrease their increase.

Mr. Kimmerly: A final supplementary to the Minister of Finance.

Will the Minister of Finance make a commitment to not increase medicare payments next year?

Hon. Mr. Pearson: No, I will not make that commitment at this time. It would be completely irresponsible of me to do that. While I am on my feet, and answering the question by the Member for Whitehorse South Centre, I want to reiterate what my colleague has said. We are still in a collective bargaining position with the Public Service Alliance of Canada in respect to our employees. Those employees have the right to come back to the table and negotiate with us at any time that they wish. They have the right, although I certainly hope that they do not exercise it, but they have the right to go on strike if they wish. We are in a collective bargaining process with the Public Service Alliance of Canada and that cannot be denied by anyone.

Question re: Indian views by YTG

Mr. Porter: It has come to my attention the CBC does have a tape that contains the Minister of Community and Municipal Affairs stating that the Indian people were only interested in freebies. In light of this fact, I would like to ask the Government Leader, does the Minister's

remarks represent the views of his Government?

Hon. Mr. Pearson: I am disappointed that the Honourable Member has to, particularly his first day in the House, raise questions along this line. I have as much respect for Indian people as I do for white people or any other people in this Territory. I have proven that time after time after time. I do not appreciate at all the Honourable Member raising such a question with me.

Mr. Porter: I did not ask the Government Leader as to who he had respect for, or whatever. I asked him about comments made by a Minister of his. As second supplementary, I would like to ask, would the Government Leader state categorically that the statements made by the Minister were personal, racist, propaganda and not supported by this Government.

Mr. Speaker: Order please. I would have to rule that question out of order as being argumentative.

Hon. Mr. Lang: Mr. Speaker, on a point of privilege, it would appear to me that the Member opposite is making an allegation of my own personal standing as a Member, and a private member within the community. The Member opposite should apologize to me in respect to the comments made. I would like to go a little further, in respect to the discussion which took place at that time. I am going on memory. I was pointing out to the reporter who raised that question with me that I was getting tired of the people of the Territory, just like the question that was being put by the Member opposite, dividing the people of the Territory along racial lines. Here we are as Canadians and as a country in very economic strained times as far as the fabric of our country is concerned and at the same time we have our various interest groups, no matter whether they be ethnic or from different parts of the country, fighting with one another. And as the Government Leader has indicated, in respect to the economic situation of the Territory, we have to come together and see if we can pull this together. If we do not, there will be nothing left here for anybody.

Question re: Long Lake road hazard

Mrs. Joe: I have a question for the Minister responsible for Highways. A number of citizens have voiced their concern to me regarding a very dangerous corner on the high point of the Long Lake road in Whitehorse. Is it the intention of the department to upgrade and put a guard rail on that section to prevent an accident or even death?

Hon. Mr. Lang: I am going to have to take that under advisement. I think that is the City's responsibility, but I will have to double check.

Mrs. Joe: I can answer that question. I contacted the City. It is the responsibility of YTG. I would like to ask a second question of the Minister. When he finds out that it is in his responsibility, can he let us know if there will be any plans to do some work on that road.

Hon. Mr. Lang: If it is a Territorial responsibility, I can answer the question. Right now, there is no money budgetted for that type of expenditure.

Mrs. Joe: Can the Minister tell us if we have to wait until a death has occurred as a result of this dangerous curve before preventive measures are taken?

Hon. Mr. Lang: If the Member opposite is recommending to me that we close the road, perhaps she should come out and say it. In respect to the road itself, as I indicated earlier, I do not know whether or not it is our responsibility. I am prepared to check into that. Second, as far as expenditures are budgetted at the present time, there is no money for a guard rail. I know the road the Member speaks of, and we will look at it, if it is our responsibility.

Question re: Construction projects cancelled

Mr. McDonald: I have a question for the Minister of Highways as well. Recently capital projects tendered by the Department of Highways, prior to the election, have been cancelled. Will the Minister now tell the House what construction projects have been cancelled?

Hon. Mr. Lang: As far as the ones we have not proceeded with, I think the Minister of Finance outlined it, the only one he did not elaborate on was the proposed construction of a camp, which is going to be deferred probably until next year.

Mr. McDonald: Does the Minister know what the cancellation of the projects cost in terms of lost jobs?

Hon. Mr. Lang: That is hard to tell unless they have been tendered and we have a fair idea what the costs are and the way one is

going to do the construction. Overall, there are comprehensive capital projects still going forward as far as the total Government is concerned. If the Member opposite, and I recognize he is new, takes a look at the Budget and takes away the number of projects the Minister of Finance outlined earlier as well as the camp, there is still substantial amount of capital money being put forward.

Mr. McDonald: I would like to reassure Members that I am a fast learner and that will not take very long. Some contractors believe that because they have been given reasonable expectations prior to the election that these jobs were being offered, that the Government should provide refunds to these contractors in order to defray the costs of submitting bids. Will the Government agree to accede to this reasonable request?

Hon. Mr. Lang: No, we are not prepared to do that. I recognize that a fair amount of work goes into the preparation of a bid. I have talked to a number of contractors and they recognize, in most parts, the severe economic constraint we are coming under. The Minister of Finance has indicated earlier that some unforeseen events, such as Cyprus Anvil now closing until at least October prior to startup, if it does start up this year, United Keno Hill and the list goes on, has really affected the Government and the cash flow situation as far as our ability to go forward with a number of these projects. We are doing the best we can within the finances we have and we will continue to do that.

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Question re: Homeowners' Grants

Mr. Penikett: I have a question for the Government Leader in his capacity as the Minister of Finance.

The government is now accepting Homeowners' Grant applications from the Territory's property taxpayers. Last year, the payments under this program were very late in coming. I wonder if the Government Leader give us some indication as to when they will be issued this year?

Hon. Mr. Pearson: Yes, I was in the Department of Finance yesterday and was made aware of the fact that the applications are being processed now and I would anticipate that within two, possibly three weeks at the outside, those applications that we do have on hand will be processed.

Mr. Penikett: If we can understand the Government Leader correctly, and perhaps he could give us his reassurance, because of budgetary problems, there is no contemplation by the government of a tactical delay in those payments?

Hon. Mr. Pearson: No, none whatever.

Question re: Tourist Traffic

Mr. Byblow: I have a question I will direct to the Minister responsible for Tourism.

Yesterday I received a copy of a press release on the subject of tourist traffic this summer in Yukon. The press release states that tourism is at a record setting pace this year, and yet I find the exact opposite in talking to the industry, the YVA and even to the department's own officials. Why has the Minister authorized a release that by all indications misleads the public by indicating that there is an upturn in tourism when, in fact, there is a downturn in this aspect of the economy?

Hon. Mrs. Firth: I would like to make a couple of corrections on the Member opposite's question. I did not mislead the public with the press release and I did not say in the press release that we were at a record pace this year. I believe that the press release said that it was comparable to last year. The figures that were released are, in fact, one week later statistics than last years, and they were strictly border crossings and visitor reception centre population visits.

Mr. Speaker: Order, please. Before we proceed, I think it would be well to remind all Members, as this is somewhat a new exercise, the use of the term "mislead" is a very, very dangerous term to use and it is considered to be extremely unparliamentary, and ought never to be used, but if it is to be used it should be backed up with facts as some very serious consequences could arise from its misuse in this House. I would caution all Members, on behalf of all Members, to watch out for this very, very dangerous word.

Mr. Byblow: With respect to your caution, Mr. Speaker, I would remind the Minister that the press release does state that tourism this

summer is at a record setting pace comparable to last year. She can interpret that how she chooses.

In the press release which is dated July 12th, the Minister uses statistics compiled to June 20th, over three weeks earlier.

I would like to know why the statistics she used at this time from nearly a month ago. Is it not possible to release more current data?

Hon. Mrs. Firth: These statistics are current data. The statistics were compiled a week earlier than last year. Last year was a record setting pace for tourism in the Yukon Territory. Because it is a week earlier with the statistics we thought that justified saying that the tourism visits were continuing at that pace that they had last year.

Mr. Byblow: I do find some contradiction in the fact that industry is calculating a 20% drop in tourism and the Minister is saying that it is comparable to last year. Nevertheless, we shall not quibble. The press release states the obvious.

The Minister, in her press release, also raised the matter of marketing efforts and I raise the matter of the product that you are marketing. Has the Minister's department formulated a policy with respect to the privatization of government campgrounds, a move being taken by another department of this government. Is the tourism department supporting and endorsing that policy?

Hon. Mrs. Firth: My department is not responsible for campgrounds. He should direct his question to the Minister responsible for campgrounds.

Question re: Yukon Health Care Plan — physiotherapy

Mr. Kimmerly: A question for the Minister of Health. Including private physiotherapy in the Yukon Medicare Plan has long been under consideration. Can the Minister now give a target date when a decision will be reached on this matter?

Hon. Mr. Tracey: The target date for including physiotherapy is already past. We hoped to include physiotherapy this year. The problem that we are having with the physiotherapy right now is cost. The cost of adding physiotherapy to medicare which could be as much as \$400,000 and we do not feel justified in putting that added burden on the people who are paying their medicare premiums at this time. That is the only reason why we are not including physiotherapy.

Question re: Campgrounds — privatization

Mr. Porter: I would like to direct this question to the Minister responsible for Renewable Resources.

It has come to my attention that he is preparing to privatize all government campgrounds. Would the Minister please explain to this House the benefits of such a move?

Hon. Mr. Tracey: First of all, I would like to correct the Member opposite. I did not state that I wanted to privatize all campgrounds. I said that I would consider either leasing or selling the campground at Wolf Creek. Because it is inside the City of Whitehorse it competes with three existing campgrounds and we do not feel justified in the taxpayer running an operation that is putting someone else out of business, especially in these tough economic times. We feel that it is very important that we keep the existing campgrounds in operation. That is the reason why I am having my department looking into the campground situation in the Yukon Territory with the idea that in certain areas where the demand is great or where there are competing private campgrounds that we would try to get out of the campground business.

Mr. Porter: Aside from the campground in Wolf Creek, has the Minister any plans to sell or lease any other campgrounds in the Yukon?

Hon. Mr. Tracey: Perhaps so, Mr. Speaker. After my Department finds out exactly what the situation is and gives me all the facts and the figures, I will make the decision then whether we will sell some of the other campgrounds or whether we will lease them.

Mr. Speaker: As the time allotted for the Question Period has now expired, we will proceed under Orders of the Day to address and reply to the *Speech from the Throne*.

Reply to Speech from the Throne

Mr. Philipson: Thank you, Mr. Speaker. It is moved by the Member from Whitehorse Porter Creek West, and seconded by the Member for Kluane, Bill Brewster, that the following address be presented to the Commissioner of the Yukon:

"May it please the Commissioner, we, the Members of the Yukon Legislative Assembly, beg leave to offer our humble thanks for the gracious speech which you have addressed to this House."

Mr. Speaker: It has been moved by the Honourable Member for Whitehorse Porter Creek West, seconded by the Honourable Member for Kluane, that the following address be presented to the Commissioner of Yukon:

"May it please the Commissioner, we the Members of the Yukon Legislative Assembly beg leave to offer our humble thanks for the gracious speech which you have addressed to the House."

Mr. Philipson: Thank you, Mr. Speaker. My first concern as a Yukoner, and as an MLA, is to strive to serve for economic stability for Yukon during our tenure in the Legislative Assembly. To achieve this, we must strive to govern as one unit, not as separate individuals. I realize that some of us have different philosophies, politically, but we must be mature enough to set aside our differences, because our first loyalty must be to the people of Yukon who have put their trust in us.

Economic stability is a direct result of solid capital investment in Yukon. Since the Federal Government has not seen fit to encourage this investment, we must take the initiative. Industry does not invest capital in an area where the energy costs are so high that even a long time investor, such a Cyprus Anvil, now lists lower energy costs as an important condition of its reopening the operation in Faro.

The easy way out is diesel fuel, at enormous costs. This is not the answer. We have alternatives. We must develop them as quickly as possible. Industry also does not invest capital in an area where the land is so tightly controlled by the Federal Government that they can attempt to give away 15,000 square miles of our land, and I am referring to the COPE Agreement, without consulting the people of Yukon through our own Territorial Government. We must settle Land Claims immediately. This is a prime concern. We must control our own land.

Free enterprise has been the backbone of Canada since Confederation and possibly we should take example from the private sector. When a specific product is not creating expected profits, the private entrepreneur redirects his energies to other areas which are more productive and profitable. We have two major industries in Yukon, mining and tourism. Our mining industry is not contributing as much as usual for our economy due in part to low world metal prices. Why, therefore, do we not put our energies into our major industry, tourism? With the Canadian dollar at its current low level, Yukon looks very attractive to U.S. people who want to get the best value for their vacation dollar. We have a unique package to offer tourists: history and physical beauty. Let us start using it properly. We also have an abundance of talented people in Yukon. Let us start utilizing them properly.

My constituency, Porter Creek West, is made up of wonderful people who really care about Yukon. No matter what their political persuasion, I intend to represent all of them to the best of my ability. We are no more than the mere voices of the voters, and therefore should strive to cut through our personal and political animosities and govern as a unit as effectively and as efficiently as our faculties enable.

Applause

Mr. Porter: Mr. Speaker, on this my first opportunity to speak here in the Territorial Council Chambers, I would like to direct my remarks not only to you and the elected Members of this House, but also to the people of Yukon. I will not be using this opportunity to excessively criticize Government policy, as I suspect the Government will give me ample opportunity in the near future, but rather to bring the concerns of the constituency and members of my constituency to the Government's attention. As well, I will be commenting briefly on the areas of my responsibility. The people that I have been elected to represent, the people of Ross River, Teslin, Liard and Swift River, are like all other Yukoners. They are past the point of merely being worried about future prospects of Yukon; today they are extremely concerned. In each of the communities of my constituency, unemployment runs rampant. It is this issue to which I believe the Government should be assigning top priority.

We all realize that massive unemployment invariably results in horrendous social problems. In combating these problems, large quantities of dollars are spent, dollars which Yukon desperately needs at this point in time of our history. It is not enough for the Government

to simply throw up its hands and blame the Feds or blame the world metal markets that are now slumping. The people of Yukon expect a more positive attitude. They expect innovative leadership and that is why they have elected us to represent their interests in this House.

I would like to now address some of the specific concerns of the communities in my constituency. In Upper Liard, the community continues to experience a number of major social problems. The general neglect that this community has received from all Government departments and agencies is simply criminal. As always, it is the children of the community who bear the brunt of the impact. As MLA for Campbell, I will be working to reverse this situation and help bring the people of Liard the services they deserve as a basic human right - rights which have been denied to them for years. Despite the efforts of the CYI and the Department of Indian Affairs, the housing situation in Liard remains at a level comparable to developing third world nations. The agencies of both Governments must realize the incredible human suffering that has resulted because of the present housing conditions in that community. Those agencies, in the name of human decency, must direct their collective effort to deliver a housing program comparable to what ordinary Canadians enjoy. Recently, the Liard valley was the scene of a life-threatening forest fire. Despite the massive unemployment in the area, the Federal bureaucrats decided to overlook the people of the area and hired over 100 firefighters from the state of Alaska, a foreign country. I do not dispute the fact that the overwhelming concern was for the safety of the people of Watson Lake and the property located in the town. Nevertheless, there were available 65 unemployed local residents, many of whom have previous firefighting experience. None of them was hired at the outbreak of the fire and it now appears that some of them are being employed in the mop up operations. If the reason Government gives is that not many of these people were professional firefighters, then I think the Government should reassess the forestry program. If the people of Yukon are not prepared to deal effectively with such an emergency situation as was presented in Watson Lake, then I think we are in serious trouble. Should training and fire management be lacking in this Territory, then the Federal Government's responsibility is very clear - train our people so that a similar incident will not occur again in the future.

Alcohol once again rears its ugly head in Ross River. In the last twenty years, there has been more than one death per year directly attributable to this indiscriminate killer. Although at the outset, it was my stated intention not to preoccupy myself with criticisms of the Government, I feel I must state my resentment to the continued statements made by the Government Leader that it is the visiting tourists who are responsible for the Yukon's high rate of consumption. If he still believes that, then I offer to take the Government Leader to the communities and show him firsthand the destruction that exists within the lives of many of the people.

We must quit trying to sweep the alcohol problem under the rug, hoping somebody else will clean it up for us. Nobody but the people of the Yukon are ever going to effectively deal with this devastating disease. I say it is about time we faced up to the reality of our situation, and take immediate action to combat alcoholism in the Yukon.

Unlike other communities in the Yukon, Teslin does not yet have an adequate system of water and sewer. Many of the problems concerning this issue are the result of uncertainty over the question of land ownership in that community. I believe that this Government, the Federal Government, and the Indian people of Teslin have an excellent opportunity to sort out this question at the Land Claims talks. For the benefit of all residents of the Teslin community, I urge the parties to quickly strive for the necessary compromises. If the answer is another pre-settlement agreement, then I suggest the parties at the negotiating table should seriously consider this option.

Another issue that can be resolved at the table with the support of the Yukon Government is the Indian people of Teslin's right to hunt and trap in their traditional areas of adjacent British Columbia. I know it will be a tough job to convince the Province of B.C. to recognize these rights, but it is an issue that I, personally, am committed to help resolve.

Swift River is a community that no one seems to care about, except the people who live there. I was astonished to learn, during the course of the election campaign, that there were no educational facilities in the community of Swift River, although last year there were twelve

students residing in that community. Many of their parents were totally frustrated in attempting to ensure their children's education through correspondence. I feel that this situation is totally unacceptable, and that the Government should act immediately, before the school year begins. The options, as I see them, are threefold.

Number one, the Government can install a portable classroom unit with a qualified teacher or teachers to conduct classes in the community. Secondly, the Government can take the children of Swift River and bus them on a daily basis to nearby Teslin, where educational facilities do exist. Third, I think the Government can undertake to house the children in Teslin on a weekly basis. I would be prepared to travel with the Minister of Education to the community of Swift River to try and solve these pressing and important problems.

Now, I would like to begin my remarks on my areas of responsibility as opposition critic. I will begin with Municipal and Community Affairs. In much the same way as Yukoners are concerned about the constitutional evolution of the Territory, they are also interested in the development of their community governments. I am sure that all here remember the controversy that arose last Fall when the Territorial Government attempted to introduce new municipal legislation, legislation which was not understood at the local level and which did not take into account the ongoing land claims negotiations surrounding the very issue of local government. Responses from Yukoners throughout the Yukon were very strong and clear. They wanted more time. The government, to its credit, shelved the proposed *Municipal Ordinance* and thereby provided the Association of Yukon Communities and the Council for Yukon Indians the opportunity to get together and work out a system of local government that addressed the real interests of their respective membership.

I understand that the AYC and CYI have achieved considerable progress and that is why during this sitting we shall be voting on *An Act to Amend the Municipal Act*. This legislation will suspend the proposed September 1st proclamation date for the *Municipal Ordinance* and thereby allow the CYI and AYC the time required to carry their discussions to their logical conclusion. I can say now that my party intends to support this necessary delay. I would like to conclude on the topic of municipal affairs by saying that it is my hope that this government will recognize and reflect in its policies the fact that none of this Legislature was elected to run community governments. Local politicians are elected for the express purpose of doing our job and in my view they are best able to discharge their responsibilities without undue interference from this level of government.

In this respect we would do well to remember that it has often been demonstrated that local issues are addressed more effectively and efficiently from a local level than from some centralized level. Just as the Yukon Government resents being dictated to by Ottawa, so do the Yukon communities resent being dictated to from Whitehorse.

On the question of renewable resources, the serious quandary that Yukoners find themselves in today, in terms of the collapse of the our mining industry, I believe serves to illustrate once again the need for Yukon to diversify its economy, particularly with respect to our renewable resources. It bothers me, and I know it bothers a great many Yukoners, that while we have no real jurisdiction or control over mineral development, we continue to place our emphasis, economically speaking, on the mining industry, thus leaving ourselves vulnerable to the externally provoked hard times that we are facing now. However, we are told the Yukon Government has jurisdiction over the renewable resources sector, yet we see no concerted effort to increase its role in the overall Yukon economy.

For example, I look at the trapping industry in the Yukon and I wonder why it is that we are content to merely trap the fur and send it to North Bay, Montreal or some other southern location to be auctioned off while here, North of 60, we produce some of the finest pelts in the world and we produce them in considerable quantity. It seems clear to me that the Yukon receives only a fraction of the economic benefits generated by the fur harvest here. It would be in our economic interest to assist Yukoners in securing the opportunity to participate in all phases of the industry, from trapping to processing to sales and to manufacturing.

The same type of missed opportunities have occurred with respect to our territorial fisheries. Simply put, I believe the fact of the matter is that we do not pay enough attention to the comparatively stable

economic benefits that our renewable resources have the potential to offer.

Turning to another aspect of Yukon's renewable resources, I would like to put the government on notice that many Yukoners are not happy with the recently enacted *Wildlife Act*. Throughout the campaign it was repeatedly asked if there was anything I could do personally to make the legislation easier to live with. Many of my constituents compare the *Wildlife Act* to the infamous Federal government gun control legislation. During future sittings, I will be bringing pressure to bear on the Members opposite to listen to these valid concerns of Yukoners and to act accordingly.

One issue that continues to be of fundamental interest to all Yukoners is our political evolution. Constitutionally speaking, we are still in our adolescence and we are yearning to achieve maturity. The Members on this side of the House share and support the desire of all Yukoners to assume greater constitutional control over our future but, at the same time, we are concerned that the direction the Yukon progresses in is not one which is done unilaterally and done to the detriment of the majority of Yukoners.

Speaking personally, I have often thought that we in Yukon are in an envious position, in that our relatively small population makes it possible, if not easy, to consult and involve our citizens in the political decision making process, particularly with respect to basic questions such as constitutional development. It is for this reason that I will be requesting this government to develop and make public their policies concerning the political evolution of the Territory. Additionally, I will be urging the government to establish a constitutional development process, which is not shrouded in secrecy, which involves all Yukoners, and which recognizes the rights of the members of the Yukon members of the Yukon society, and recognizes the basic premise that the Yukon is made up of two culturally distinct people.

I believe it is safe to say that the Yukon is presently being faced with the toughest times, in economic terms. The economic scenario of the future is a very bleak one indeed. It will be a time filled with momentous challenges. It will be a period in history that will test to the limits our economic and political fabric. It will bring us, as a people, I believe, to the basic reality of survival. Now, more than ever, the Yukon needs leadership, a leadership that is not only capable of making hard and fast political/economic decisions, but also a leadership that understands and listens to its people, a leadership that makes fair and equitable decisions for all people of the Yukon.

When I do finish my job here and move on, I hope that I can look back and say that we, as Members here in this room, were such leaders.

Applause

Mrs. Joe: Mr. Speaker, I have a speech here, it's not quite as long as the other Member's. It is indeed a pleasure to be here today. I know that the next four years are going to be hard ones, because of the economic conditions we are faced with at the time, but I am looking forward to that challenge. I represent a riding that has many diverse problems and I intend to deal with them as effectively as I can by keeping in close contact with the people from that riding. I was given my critic areas because of my interest and knowledge in them. I plan on being very verbal and outspoken about those areas, if the need arises.

Although we are facing hard economic times, we have to face the fact that we do have very serious social problems, and those two things, as we all know, go hand in hand, and there is no doubt in my mind that the problem is going to get worse. Not only do we face a very serious alcohol problem, but we are faced with a very high crime rate that is on the increase, and a more serious matter, juvenile crime. Whether we like it or not, crime among juveniles is on the increase. It is not uncommon to have a juvenile in court with an average of twenty charges at one time, and sometimes more. What can a Government do about it? It is my hope that the problem is being monitored by this Government, and that preventative measures will be taken before the situation gets much worse.

I am aware of problems and concerns in relation to women in the Territory, such as equality in the work force, daycare and housing. We face many problems, and the women of the Yukon are a very, very strong force, and I think we should pay a lot of attention to what they are saying.

Recreation and culture are very important to me, and also to my family, and I think that recreation and culture should be available to everyone. There are a great number of problems with recreation, especially among young people, and the fact that very young people from poor families cannot afford to take advantage of the recreation programs. I feel that they should be available to all people, whether or not they can afford it.

I will be spending a great deal of time doing research in these areas, and will be speaking on them in the future if the need arises. Thank you, Mr. Speaker.

Mrs. Nukon: Mr. Speaker and Honourable Members, it is an honour for me to rise and reply to the *Speech from the Throne*. I am proud to be here as the MLA for Old Crow. I am also proud to be giving my maiden speech. I would like to extend a special thanks to my supporters in Old Crow, and a thank you to all people who participated in the election of 1982.

Over the next few years, I am looking forward to representing the interests and concerns of all residents of Old Crow. During the campaign and much earlier, I have been made aware that people in my area have similar concerns as the people down here, but they also have special concerns. Since I have been in Whitehorse, I have seen that people here are concerned about a lot of things that we are concerned about in Old Crow. These concerns include good education, adequate social services, good municipal services, the Yukon Indian Land Claims and the COPE Claim.

I feel we have problems with some of these programs, and I intend to work hard toward solving them. I hope to see improvements on the town road and the sewage and garbage disposal. The school is particularly important to the People of Old Crow. When it was destroyed by a fire in December, 1981, it became a major concern. We were very pleased that the Yukon Government was able to replace it as quickly as it did. My people recognize this quick action. I have been given the opportunity to arrange for the official opening of our new school in Old Crow. I would hope that some of my colleagues will be there for that special occasion.

While in Whitehorse, I would like to learn more about the Yukon Government's programs and policies. I want to keep the Old Crow people well informed at all times. While I may spend a good percentage of my time in Whitehorse, I will be travelling back to Old Crow regularly in order to meet with the people there.

Mr. Speaker, with respect to the Yukon Indian Land Claims and the COPE Claim, I personally feel the information that the people in Old Crow are getting at the present time is very sketchy. It would be one of my interests to get the information and to get it back to my constituents, who are very aware of the impact the two claims will have on my people.

One other issue my people have at present is building a new road west of Old Crow to haul in our firewood. The present firewood cutting area we have is east of Old Crow, which is pretty well used up, and for that reason we need a new area where there will be plenty of wood for the next ten to fifteen years, at least.

In conclusion, it would be my overriding concern to keep in close contact with the people of Old Crow. It is very important that I represent my community well. Thank you, Mr. Speaker.

Mr. McDonald: I consider myself fortunate to be able to address this Assembly today as a full participant. People in the Mayo constituency have placed their faith in me, and I dare say all of us, to perform competently and decisively in the circumstances of an ailing economy.

The Throne Speech, to which I am speaking today, quite properly admits this ailing condition and for that honesty I am grateful. The self-delusion, a practiced art in the councils of the Federal Government not only delays the search for sound solutions, but also obscures and fudges reality, which is a certain recipe for failure. Such a process is unworthy of this Assembly.

This opening address, which I suppose qualifies as my maiden speech, would normally by tradition refer optimistically to the future and introduce the Assembly to the aspirations of my constituency. I will not depart from that approach, excepting for one thing: I see little that would justify optimism. In the few short weeks since the Territorial election I have lost, as a consequence of the shutdown of United Keno Hill Mines, a very large part of my constituency. For the people of Elsa, Mayo, Keno, unemployment is not a probability looming on

the horizon nor is it a statistic listed as a mere percentage of total workforce. It is the shock of losing your job and your family security, it is the desperate search for accommodation and another job, any other job, it is the insecurity which acts and throbs like a dull pain, it is the fear of destitution and of the ability to care properly for those who depend on you.

If I may be so bold as to say the traditional Conservative approach, to pull yourself up by your bootstraps and get a job, will be seen by Yukoners in my riding who have laboured for years with integrity and have generated wealth and paid their taxes as a mean-spirited joke representing an opinion divorced from reality. The more vulnerable members of our society, referred to in the Throne Speech, are increasingly becoming more numerous, and they are very nearly the majority of the people in my riding. But this is very new for these people. They have stubbornly worked hard for decades, paid their taxes and survived Government inattention. Elsa, in particular, classed as a company town, has been largely ignored by Government legislators and has silently generated income for the Territory only to become news when its internal problems disturb this easy flow of revenue. Now it is news again, and now is the last day of work for approximately 175 working people and their families. I suppose the irony is that they saw the crisis coming. The economic indicators were there. There were massive layoffs, mine closures and a declining population. Miners, millworkers, warehousemen and truckdrivers could see what the Government could not. My election to this House was their response. For them, government must be decisive, agile and competent. It must read economic indicators properly and act with a large measure of determination. Luxuries in the government process will not be tolerated. Fatuous platitudes about government sympathy for their constituents is a luxury. Making excuses when you have not exhausted every possibility for mitigating the effects of economic disaster is also a luxury. Delaying the work of this House is also a luxury. Mistakes are a luxury. There is no room for maneuver, because the Government has not engaged in the planning of a wider economic base.

When this House sits again in October, United Keno Hill Mines Limited will have been closed for approximately three months. Most will have left the riding and many who have left will have left the Territory in disillusionment. The Federal Government will have made a decision regarding the taxation of Northern benefits scheduled for September 1st of this year. Without the benefits of ongoing constructive criticism from the YTG, but with only the memory of campaign posturing, Placer miners, the Water Board or Federal fisheries will quite possibly have initiated court action to bring a resolution to their serious problems without the benefit of serious mediation efforts by the Territorial Government. Deadlines will pass and missed opportunities will be the order of the day. People simply cannot wait. Housing prices in Mayo are quite simply listed as too much. It not only highlights the fact that the purchaser is unable to buy, but also the seller cannot afford to sell, nor can he afford to live in it.

People's desire for agricultural land around the Territory is becoming less of a luxury and more of a necessity. People who wish to be self-sufficient, self-reliant, need land for subsistence living. Government must plan for this eventuality and develop agricultural policy which recognizes the future preeminence of this activity.

Promises have been made regarding the whole family of labour law, especially an act respecting employment standards and one respecting occupational health and safety. People of Yukon demand that these initiatives be continued and developed. They want to exercise their right to self-determination, not simply mouth rhetoric promising such a goal.

Finally, people want to continue to work and live in Yukon. They want jobs. They cannot wait for the typical footdragging in the name of solemn deliberations. People desire and need more than the Throne Speech allows, and because I would very much personally like to have someone to represent four years from now, the Government must react quickly and competently. I find it hard to stray far afield from the basic issues that affect my constituency, however we must focus our attention on the crisis that confronts us. Thank you, Mr. Speaker.

Applause

Mr. Kimmerly: I am also honoured to speak after five maiden speeches given all together in this Assembly, and I sincerely say that I

hope I do as well.

In responding to the Throne Speech, I wish to make two points, one of them negative, unfortunately, but one of them very positive. The first one that in the Throne Speech the Government promises to make a thorough assessment of Yukon's present economic circumstances. When we resume in October or November — I hope October — some three or four months from now, and when we talk about the general economic plan of the Government, the Budget for 1982-83, we will already be approximately eight months into that year.

Previous speakers have called for leadership, and the Yukon population is demanding leadership. Leadership eight months late is not leadership. The negative point I wish to make is that it is unfortunate that the leadership that is required of us is taking so long. We ought to be wrestling with these problems immediately, that is, in the late spring and early summer as opposed to in the fall.

The second point is a more positive one. Putting all partisanship aside and listening to the five previous speakers, I made a list of the points that they raised and I would recommend to the Government that the very valid points made on both sides be assessed for the future. The Member for Porter Creek West, who spoke about tourism and alternative energy obviously thinks that we must develop in these depressed times. The Member for Campbell talked about renewable resources, of fur tanning and fisheries. Those kinds of things are stable and reliable industries and are not dependent on world metal prices. A number of preventative things were mentioned, alcohol abuse and the crime rate. A number of resources mentioned: training, employment, the Land Claims process and building roads, for example, in Old Crow. All of these things we should be doing. The expertise and the knowledge exists here in this Chamber and I would recommend that we get on with it at a faster rate than we are now doing.

Hon. Mr. Lang: I want to begin by saying that I am very pleased to be here once again. It is my third term, and I want to give special mention to those people who did a lot on my behalf in Porter Creek East. As every Member in this House knows, the election is very hard work and one does not succeed alone. You succeed by working with other people who support you and believe in you.

There are a couple of points I want to make, and I trust the critic appointed for municipal affairs and highways and myself have not got off on a wrong start. I would like to point out, and I personally believe this, that we can come up with various ideas in respect to certain items as they come by. I want to assure Members opposite of our ability to listen to various ideas and if they are constructive ideas, we are more than prepared to look at them.

I want to comment on a statement that was made by the Member for Mayo, who is not too optimistic about the future of Yukon. In the immediate future, no it is not optimistic. We are in a situation where we are so dependent on the mining industry, and also Canada is in trouble, as I indicated earlier. It is in deep trouble. Our country is in trouble, largely in the economic areas and, as some Members have already indicated, it flows over into the social and political fabric of the country. What I cannot understand as a Canadian is that we have the richest country in the world, yet we are in the financial straits that we face at the present time.

I take a look at Yukon and the mining industry that we are so reliant on. As we all know, Cyprus Anvil was for sale and was purchased by Dome, but there was an American buyer in the interim who was turned down by the Government of Canada. In reflecting, one has to wonder whether or not that was a wise decision in view of the financial situation that we find the Dome Corporation in today. It could well have been that Cyprus Anvil could still be operating today, because the major problem is, as we have been told, a tax flow problem as far as the major owner is concerned. In other words, we can get through the good times, but in the lean times we have real problems.

One has to look at the national policies and see how they affect the Territory and the future of the Territory, not only for the short term but for the long term. In referring back to my earlier comments to the Member for Mayo about the future of the Territory, I live in Yukon because I am optimistic about the Territory. We have our bad times. The Member opposite may well not have been here fifteen years when the Army and the Air Force were here and they were leaving. Yukon was going to become a ghost town. We survived. Perhaps some people leave, but there is a nucleus of people who live here and not

only intend to live here and raise their children here but to retire here.

I would like to think all Members in the House feel that way. That means a commitment to Yukon, to the people of Yukon, and the resources of Yukon. What I want to stress is that, sure, economically we are facing an immediate problem, and a major problem. The long term of the Yukon is bright. We have the Beaufort Sea development, and the future, according to our reports, is bright. Yukon, through the transportation industry, is going to play a major part in that development. There is a prospect, down the road, of future work being done on the Shakwak Valley project. You have the prospect of the major hydro considerations as far as the future of the Territory is concerned. Take a look at the MacPass, where we have one of the largest tungsten deposits in the free world.

It is all blocked out. It is there. We have major silver-lead deposits within miles of that particular deposit. You go throughout the territory and you start analyzing and looking at what we have, as far as the future of the territory is concerned, I am going to say I would be much better off being in the Yukon than other parts of the country at this time and in the future. There is potential here and there is no doubt that that potential will turn into reality. It is a question of timing.

I want to conclude by saying that I trust in the next three to four years that we can keep our personal biases to ourselves. Over the last four years I think that Members on both sides of the House had to be commended for the responsibility that they took in looking at the principle or the objectivity of a certain piece of legislation, and kept their personalities aside. I want to conclude, I think for the future of the Territory, and for the workings of this House, that it is essential that we remember this. I recognize that, at times, we get very mad, and that is human nature, but when items are dealt with, win, lose or draw, there is another day, and I hope that all Members look at it from that point of view.

Applause

Motion agreed to

Hon. Mr. Pearson: I move, seconded by the Minister of Education, that the address and reply to the Speech from the Throne be engrossed and presented to the Commissioner in his capacity as Lieutenant-Governor.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Education, that the address and reply to the Speech from the Throne be engrossed and presented to the Commissioner in his capacity as Lieutenant Governor.

Motion agreed to

GOVERNMENT BILLS AND ORDERS

Bill No. 2: Second Reading

Mr. Clerk: Second reading, Bill No. 2, standing in the name of the Honourable Mr. Pearson.

Hon. Mr. Pearson: I move, seconded by the Minister of Renewable Resources, that Bill No. 2, *Financial Agreement Act, 1982*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Renewable Resources, that Bill No. 2 be now read a second time.

Hon. Mr. Pearson: The *Financial Agreement Act* is the Bill that allows this Government to collect from the Government of Canada the agreed to amounts for capital and operation and maintenance grants during the course of the year.

The Bill simply allows the Commissioner to enter into the agreement that provides for those payments.

Mr. Penikett: We intend to let this Bill go through Second Reading without objection. I would, though, by way of notice to the Government Leader for the Committee Stage of deliberation, mention to him that we will have a couple of questions: one, about the Federal Government's commitment to these numbers, and also the textual differences between this Bill and Bill No. 6 from the last Session. There is one significant change, and I would look for an explanation of that at that time.

Motion agreed to

Bill No. 3: Second Reading

Mr. Clerk: Second Reading, Bill No. 3, standing in the name of the Honourable Mr. Pearson.

Hon. Mr. Pearson: Mr. Speaker I move, seconded by the Minister of Education, that Bill No. 3, *Interim Supply Appropriation Act, 1982-83, No.2*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Education, that Bill No. 3 be now read a second time.

Hon. Mr. Pearson: Mr. Speaker, Bill No. 3 and Bill No. 4 are Interim Supply Appropriation Acts that allow for the ongoing administration of this Government over a period of time until we are in a position to put a comprehensive budget before the House. The numbers that have been put in the schedules represent actual cash flow requirements for each of the departments, based on the budget that was tabled in the Spring. In Bill No. 4, which we will be getting to in a moment the numbers also reflect the changes that I announced today.

Mr. Penikett: I did not wish to intervene at Second Reading on this Bill or the next one at length, but as the Government Leader will understand, there will be a number of questions at the Committee stage concerning particularly the schedule. He has indicated just now that the supplementary represents the spending to date and actual cash flows, and there are some questions about the levels of expenditures by different departments. Taking the two Bills together, as he has referred to them both together, the seven month totals ought to represent about 58 per cent of the budget as it was adopted last Spring. For a number of reasons, those figures will be down, and I want to ask him about the percentage expenditures by each department according to the schedules in those Bills when we get into Committee.

Motion agreed to

Bill No. 4: Second Reading

Mr. Clerk: Second Reading, Bill No. 4, standing in the name of the Honourable Mr. Pearson.

Hon. Mr. Pearson: Mr. Speaker, I move, seconded by the Minister of Justice, that Bill No. 4, *Interim Supply Appropriation Act, 1982-83, No.3*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Government Leader, seconded by the Honourable Minister of Justice, that Bill No. 4 be now read a second time.

Motion agreed to

Bill No. 5: Second Reading

Mr. Clerk: Second Reading, Bill No. 5, standing in the name of the Honourable Mrs. Firth.

Hon. Mrs. Firth: I move, seconded by the Honourable Member for Old Crow, that Bill No. 5, *An Act to Amend the Students' Financial Assistance Act*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Education, seconded by the Honourable Member for Old Crow, that Bill No. 5 be now read a second time.

Mrs. Firth: Mr. Speaker, the purpose of this Act is to remove the inequities in the eligibility requirements for the payment of grants to students, and to provide the Students' Financial Assistance Committee with better guidelines and improved flexibility for dealing with applications for assistance.

In addition, the amount of assistance that may be paid to a student is increased by an overall average of 30 per cent in some areas, such as the general living allowance increasing by 50 per cent.

Mr. Byblow: Having spoken to this Bill at Second Reading once before, but under a different Minister, I have no hesitation in again advising the Minister that we will be supporting the Bill. I think the necessity to broaden the parameters of eligibility for student aid has been a pressing concern for a number of years, even though, prior to 1978, I believe, many of the provisions being sought in this Bill now were in fact in place, but repealed. Far be it from me to suggest any Conservative influence in that move.

The Bill does pose a number of interpretive questions that I am sure we will raise in Committee and get answers to, but certainly until such time we will be supporting this Legislation. I believe our responsibility to post-secondary education is enhanced by this Bill, and certainly the Minister is to be commended for her promptness in bringing this

Bill forward again on such a fine day in July.

Motion agreed to

Bill No. 6: Second Reading

Mr. Clerk: Second Reading, Bill No. 6, standing in the name of the Honourable Mr. Lang.

Hon. Mr. Lang: Mr. Speaker, I move, seconded by the Minister of Education, that Bill No. 6, *An Act to Amend the Municipal Act*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Minister of Education, that Bill No. 6 be now read a second time.

Hon. Mr. Lang: Mr. Speaker, I would just like to make a few brief comments with respect to the amendments that you have before you, and I want to assure the Member for Campbell that he will always get an opportunity to speak. It's not a question of first come, first served.

Mr. Speaker, the principle of the Bill is very clear and the Member for Campbell actually referred to it in his reply to the *Speech from the Throne*. Basically, it is to give back to the Executive Council the responsibility for bringing into force the *Municipal Ordinance* that was placed before the House approximately a year and a half ago.

Just to give a background to the Members, the initial legislation that was considered and passed in the House gave that authority to the Executive Council to recommend to the Commissioner a proclamation when it was deemed that it should come into effect. Upon the representation by the Association of Yukon Communities — and I have to go on record by saying, regrettably, what he referred to at one time as the Ayotollah for the position that he was taking on this particular legislation — the Association of Yukon Communities requested specifically that a date be put into place which we, to be quite frank, were reluctant to put into the legislation, but we felt that, in view of the situation, we should comply with the request. It was our intention to bring it in that Fall in any case. As it turns out, the Government is not always wrong. The Association of Yukon Communities reversed its decision for what I deem to be valid reasons and recommended that we go back with the authority vested in the Executive Council as far as this major piece of legislation was concerned.

We have agreed to that and it is one of the pieces of legislation that we are going to put forward to the House for consideration. I think, from my perspective, another six months to resolve, perceived or otherwise, problems in respect to the legislation, is not too long to wait. I want to assure Members of the House that it is our intention to bring the *Municipal Ordinance* into effect and I want to assure the new Members — especially across the floor, because they were not involved in the actual debates on the legislation — that the legislation itself is designed, in principle, to allow all communities to take over authority when they are capable of doing it. It also allows, and is very specific, and ensures that there is accountability along with responsibility. I think those two principles are very important. We talk about government people getting elected to office who not only have the responsibility to make decisions but they also have the accountability and that legislation is specifically designed to do that. From that perspective, overall, it is a very good piece of legislation.

One other point that should be made in respect to the amendments before you is it provides for the repealing of Section 3 of the *Building Standards Ordinance*, Subsection 40 and Subsection 2. This repeal has already been executed directly in the *Building Standards Ordinance* and need not be done a second time through the *Municipal Act* and therefore is an opportunity to correct an overlap between the two pieces of legislation.

Mr. Porter: I would like to issue our Party's support for a quick and easy passage for this piece of legislation. I would also like to take this opportunity to applaud the Minister for the decision to do so because I feel that the time will be used and the time that the various interested groups in the Yukon will spend from now until proclamation will be time that will be well spent in terms of working out any disagreements that they presently may enjoy.

Motion agreed to

Bill No. 7: Second Reading

Mr. Clerk: Second Reading, Bill No. 7, standing in the name of

the Honourable Mr. Tracey.

Hon. Mr. Tracey: I move, seconded by the Member for Kluane, that Bill No. 7, *An Act to Amend the Wildlife Act*, be now read a second time.

Mr. Speaker: It has been moved by the Honourable Minister of Health and Human Resources, seconded by the Honourable Member for Kluane, that Bill No. 7 be now read a second time.

Hon. Mr. Tracey: On March 26, 1982 the Federal Government, CYI and Yukon Government signed an agreement-in-principle at the Land Claims table to the effect that within six months from that date the Government of Yukon would do what was necessary to permit a group trapping area within the borders of the Kluane Game Sanctuary.

The area in question is some 90 miles in size, which lies completely within the Kluane Game Sanctuary, and is situated between the Donjek and White Rivers bordering the Alaska Highway for approximately 35 miles. In order to honour this agreement it is necessary for this Legislature to amend a schedule during this sitting of the House and will amend Schedule I of the *Wildlife Act* to alter the boundary of the Kluane Game Sanctuary and subsequent to this amendment, a group trapping area will be formed.

I believe it is our duty to honour our commitment at this time, as this area had been traditionally used by the people of the Kluane Tribal Brotherhood area and our Government has a great deal of respect for our Yukon elders and therefore I would hope that all Members of the House would support this amendment.

Mr. Porter: I would also like to express support for this piece of legislation, and would like to add a few brief comments on the contents of the Bill. The contents of what is contained in this legislation are very much needed. I think, to a large extent, it will go a long way towards demonstrating a degree of good faith on behalf of one of the negotiating parties at the table, particularly in light of the kind of problems that have plagued the Kluane Game Sanctuary. The initial reason for establishment of this sanctuary was because of the fact that wildlife were being harassed and overhunted largely by the people associated with the construction of the Alaska Highway. Therefore, there have been many years during which the aboriginal people of that particular area have suffered as a result of that decision. In that respect I think it is a very good thing that the government, who at one time were very much opposed to the creation of the sanctuary and the allowance of the Indian people to practice their traditional hunting methods in this sanctuary, are now coming around to recognizing that these people do have rights, and that the rights to hunt, fish and trap still do exist and that they are still very important to the people of Kluane.

However there are some problems in respect to the process by which this legislation was introduced to this House and to speak to that is my colleague, Mr. Kimmerly.

Mr. Kimmerly: I cannot let this occasion pass without making some comments about the process, or the way this Bill comes before us. In one sense, this is an uncontroversial Bill from our point of view, because we agree, as my colleague says, with the contents of the Bill or what the Bill is trying to do. However, if we had not agreed, or if it were about something else the problem would be more immediately apparent. All Yukoners should be very well aware of the precedent that is being set here. There is an agreement made at the Land Claims talks on March 26, 1982 and we do not know anything about it. There is not anything stated publicly, I believe, about this aspect of the agreement until the Throne Speech yesterday. The Legislature is being asked to simply honour an agreement that has already been made, or made four or five months. In this case, we have absolutely no problem in doing that. However, in other cases we may have some problem. The process whereby the general principle or the policy of the Legislature, the policy of the Government, expressed through the Legislature, if it is ever to be expressed by the Legislature, ought to be a policy that is established first by the Legislature, taken to the Land Claims talks and negotiated as the Government Leader rightly says, in private, and the resulting agreements ought to be looked at and ratified by the various Legislatures involved, or the various parties involved. It cannot ever be assumed that the Legislature will rubberstamp what the Yukon negotiators agree to. In this particular case, there probably are people opposed to the particular Bill. There are probably some people who will be unhappy. It is an emotional question, it is a political question, and it is a question that ought to be dealt with

according to the traditions of parliamentary democracy.

In closing, I would like to reemphasize, because it is extremely important, I feel, to do so, that we do not oppose the Bill in any way. However, those comments I just made I deem to be extremely important.

Hon. Mr. Tracey: I cannot let this opportunity go by. The original boundaries of the Kluane Game Sanctuary were set out by this Legislature and this Legislature has the responsibility or the power to amend those boundaries whenever it deems necessary, and that is exactly what is happening. Whether there was an agreement-in-principle with the Native people has absolutely no bearing on it. This Legislature has the power and the authority to amend the boundaries of the Game Sanctuary and that is what we are doing today.

Mr. Speaker: The Honourable Minister, now having twice spoken, has closed debate.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

Mr. Falle: I move, seconded by the Member from Old Crow, that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the Honourable Member for Hootalinqua, seconded by the Honourable Member for Old Crow, that Mr. Speaker do now leave the Chair and the House resolve into Committee of the Whole.

Motion agree to

COMMITTEE OF THE WHOLE

Mr. Chairman: We will proceed with the Bills in order. Before we proceed with these Bills, I would like to declare a brief recess.

Recess

Mr. Chairman: I will now call Committee of the Whole to order. We will proceed with Bill No. 2.

Bill No. 2

Hon. Mr. Pearson: This Bill, as I said at Second Reading, is simply the *Financial Agreement Act* that allows the Commissioner in Executive Council to enter into an agreement with Canada in respect to the paying of our operation and maintenance and our capital grant for the year.

The Leader of the Opposition mentioned that he had noted a difference in drafting style in this Bill and in, perhaps, the Bill that it replaces, which is Bill No. 6 of the last sitting. That change has been deliberately made because, of course, we have found with our horrible cash flow position this year that we can no longer depend upon getting our O & M grants from the Government of Canada on a regular 12 month basis. Our cash position is such now that we actually have to get the money literally as we are spending it. That means that in the summertime, when we do have the high expenditures, we are having to draw down more money. We have reached an agreement with Ottawa that they would pay us this way, in other words, the same way as the capital money is drawn down. It has always been drawn down on a schedule rather than in twelve monthly payments just simply because we spend capital money at specific times of the year. At other times of the year we do not. That drafting change is simply there to accommodate cash flow problems.

Mr. Penikett: The Government Leader has responded to the question about drafting about which I was curious. I wonder whether the Federal Government, the other party to this agreement, was entirely happy with the previous arrangement. I gather it would have been 1/12th's being advanced on a monthly basis and even an organization as large as that must have varying calls on their funds as well.

I am particularly interested in knowing if the Government Leader may be able to tell us the date that agreement was concluded with the Federal Government in respect to this *Financial Agreement Act*. I know, in having talked with some people, that a number of provincial jurisdictions in the country have had their grants affected rather radically by the most recent McEachen budget — let us hope that it is the

last McEachen budget — I am curious as to whether the agreement referred to by the Government Leader in respect not only of the amounts but also the scheduled payments may have been renegotiated or recommitted following that budget, or if this is, in fact, an old agreement?

Hon. Mr. Pearson: I will start with the amount in 3(1)(b) first was negotiated a year ago next month, August of 1981. I am sure all members will recall that that amount was, at that time, \$29,499,000.

You will recall also in the Spring that I told the House that we were having some problems in respect to Treasury Board on a number of projects and whether we thought they were going to be allowing us to go ahead with them at that time. We still did not have answers definitively. We now have, and the amount now is \$24,438,000 in capital money. All indications are that we are going to get all of that money. They have indicated that they are going to be able to stay good, in spite of their financial problems, in respect to that. That is a reduction of \$5,061,000 from what was negotiated last August. We passed that in October in our capital estimates.

The \$43,088,000 is a firm figure that has been firm since last February. That was negotiated last February. That figure has not changed.

We have had a series of notices from the Government of Canada, particularly in the last few weeks, in respect to other funding, specifically, our EPF payments have been dramatically reduced. They have just arbitrarily been reduced. All of the projections that I have made today have been based on us getting this deficit grant of \$43,088,000 and the capital grant of \$24,438,000. We are confident that we will continue to get that money from Ottawa over the course of the year.

Mr. Penikett: Could I just press the Government Leader a bit. When he said, "...all indications are that we will get the \$24,000,000" which is a reduction from the previous amount, I wonder if he could indicate to us how strong these indications are? I take it that he does not have a letter from the Minister of Finance signed in his own blood, as worthless as that might be. Could he indicate the strength of the indications and how recent they are?

Hon. Mr. Pearson: They are as recent as a couple of days ago and as strong as we can expect to have them at this point in time, in respect to these two items. I would respectfully suggest that if we can get this agreement signed that will help to strengthen our hand. We are dealing at the present time strictly on the basis of a faith that we are going to get some sort of an agreement in place with them.

Mr. Penikett: Thank you, Mr. Chairman, and I appreciate the Government Leader's urgency and enthusiasm for getting a conclusion of such negotiations. I just want to be sure, and I am sure that all Members of the House do, that in fact there have been recent negotiations again on these amounts, and in fact the Government of Canada, as far as the Government Leader is concerned, he is committed to this agreement, if we can give legal effect to it, and they are prepared to do the same.

Hon. Mr. Pearson: I don't want to have what I am saying misinterpreted. There have not been recent negotiations in respect to these two numbers, but we have not had any indications, either, that they are going to change. What they have been changing a lot of the numbers on us, but these two have not been two that have been changed, and it has been indicated to us that they will be firm. These two commitments the Federal Government is prepared to meet. That is what we are going to be starting out basic negotiations, in the forthcoming weeks, on this assumption that this money is going to be forthcoming.

Mr. Penikett: I am sorry to seem persistent. I only wanted to know how recent the communications were — the Government Leader said a couple of days ago — because as I heard Mr. McEachen reading his Budget. He in fact indicated in that that there were going to be cuts in the grants to the provinces, and I believe I remember hearing him referring specifically to the operation and maintenance grants. Let me ask, then, to go back to the other question which I did not ask, and for which I did not get an answer, in respect to the Payment Schedule, had the Federal Government expressed any concern about the way they were previously paying the money and expressed any interest in changing it.

Hon. Mr. Pearson: No, to the best of my knowledge, it was in fact we who went to the Federal Government. It had never been a problem for us in the past, Mr. Chairman, because we always, as all

Members are aware, operated with a fairly substantial, not exorbitant, but fairly substantial cash flow, something in the area of about \$5 million. As long as we were in that area, and then with the capital added to it, sometimes we would get up into the \$11-\$12 million area, and it didn't really matter whether we spent a couple of million dollars or more in O & M in one month than we got from Ottawa, because we had working capital to work with. But at this point in time, we are at the point where our working capital is down so low that we don't have cash flow any longer. It was we who went to the Federal Government. I have no idea whether they thought it was better from their point of view or not. Certainly, there was no trouble with them. They said if this was the way that it would be best for us, then they were quite prepared to do it that way.

Mr. Penikett: Just one last general question on general debate: the Government Leader will know that almost all clauses in this Bill refer to an Agreement. Specifically, Clause 4(1) refers to an Agreement respecting the Payment Schedules and so forth. Could I ask the Government Leader then, if, in terms of the negotiations at the level of officials, an agreement has been concluded in respect to those things which are changed from the Bill in its form as it was presented in the last Session.

Hon. Mr. Pearson: There has been a new Schedule drawn up, Mr. Chairman. In fact, we are receiving payments on that Schedule now, simply because we have to keep operating.

Mr. Byblow: I have a couple of questions on the capital side of the Budget. The Government Leader said that last August this Government had confirmation of the \$24 million-odd dollars available, \$24 million in the form of a transfer payment, the rest through recoveries, I would assume.

Hon. Mr. Pearson: May I interrupt, Mr. Chairman? No, Mr. Chairman, I refer the Honourable Member to the Budget that he has in front of him, and it is obvious: in that Budget, we expected to get \$29 million in a capital grant. The Federal Government provides us with all of our grant money. We anticipated getting \$29 million in grant money, plus our capital recoveries as well.

Mr. Byblow: But the Government Leader said that last August they had the figure confirmed by the Federal Government of what will constitute the transfer payment, or the amount of the transfer payment. I understood that to have been \$24 million at that time. The Government Leader is now confirming that it is \$29 million, and I will accept that.

I have it in front of me, Mr. Chairman; the Budget reads out very well. The Budget reads out at \$29 million with an \$8 million recovery program. What my question would be to the Government Leader, then, is: what was the process by which \$5 million was reduced from the Capital Budget? Was it on a project basis? Was it an arbitrary percentage basis? How was that achieved and when did the Government Leader know of the \$5 million shortfall from last Fall's Budget?

Hon. Mr. Pearson: Mr. Chairman, I am quite surprised at the questions that the Honourable Member is asking. After all, he was here, and I am positive that I answered these questions for him before. Capital money is approved for grants and it is then subject to approval by Treasury Board. Every project that is undertaken in the Territory by this Government that costs in excess on \$1 million is subject to final approval, and that approval is not received until after tenders have been called. It is subject to final approval by Treasury Board.

I simply cannot recall the specific projects that were eliminated at that point in time. But there were \$5,061,000 of projects that were taken out. We knew about that prior to the last sitting because Bill No. 6, *Financial Agreement Act*, had this same number, \$24,438,000. I recall us having this discussion at that time.

Mr. Byblow: I recall the discussion too. And it was because we procured the information first through a Globe and Mail report of the \$4.5 million shortfall at that time, this spring. That was first awareness we had of that. I was just trying to determine when this Government became aware of the \$4.5 — or, now, \$5 million — shortfall in the Capital Budget. Having now a better understanding of the process by which this was arrived at, I want to enquire about some figures relative to what the Government Leader announced this afternoon. As I recall, a revenue-recovery reduction in the amount \$13 million was expected in this year's Budget. I use the term loosely, yet just under \$4 million he itemized in O&M expenditure reduction. I have some difficulty

understanding what the balancing process was, if on the one hand, there was a tremendous reduction in the amount of revenue, and on the other hand only a small amount of expenditure reduction.

Hon. Mr. Pearson: I am sorry, I do not have my statement with me. It shows that there is \$15,000,000 of Capital programs cut, \$3,000,000 of O & M cut. I do not know where the Honourable Member comes from, but where I come from those are not small numbers. That is a lot of money.

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Mr. Penikett: This is purely a legal question, but I am not asking the Government Leader for a legal opinion. I do not doubt that he has obtained one from time to time and I am sure he would tell us. If there were a new mini-Budget, or something Federal initiative which, in fact, arbitrarily changes numbers because they are really the donor in this case, would that nullify the agreement in total?

Hon. Mr. Pearson: I am not sure that it would, but certainly we would be back here with another Bill. We would have to enter into another agreement to change this one and that would necessitate us coming back to the Legislature. It is one of the nice safeguards which we have built into the system.

The Commissioner in Executive Council cannot sign this type of an agreement without it being approved by the Legislature. So should there be an arbitrary change on the part of "the donor", yes, there may be a new agreement. At this point in time, I do not think that will happen.

Mr. Penikett: I thank the Government Leader for his answer. On a similar subject, I look forward to hearing from him an explanation of how the warrants or Commissioner's or Executive Council's warrants operate during election period such as we have just gone through. Now, of course, is not the time to get onto that subject.

Mr. Chairman: Is there any further general debate on Clause 3?

Clause 3 agreed to

On Clause 4

Mr. Penikett: Can the Government Leader give us a projected date to when the schedule referred to here will be appended to the Bill?

Hon. Mr. Pearson: We have never attached this schedule to the Bill simply because it is a straight administrative cash flow schedule. There is one in existence now because we are receiving money from the Federal Government to operate at this point.

Mr. Penikett: I am sure the Government Leader knows I was not talking about a physical appending. I am talking about when the details in the agreement referred to here will be finally concluded.

Hon. Mr. Pearson: I would anticipate that upon Assent, within a week this agreement would be on its way to Ottawa.

Clause 4 agreed to

On Clause 5

Clause 5 agreed to

On Clause 6

Mr. Penikett: This Clause refers to, in an inferential way, municipal finances. The Government Leader statement today referred to a rather insignificant amount that they were not going to now give to the City of Whitehorse in respect to the pipeline impact information centre. That would probably be about as useful as a pyramid right now.

There are a number of other financial relationships between this government and the municipalities. Will we, in the life of this session, be getting some kind of report as to the way the municipal capital programs will be affected by the reduction in capital amounts in this budget?

Hon. Mr. Pearson: I am not sure that it is going to adversely affect it. It may be that the Minister could say something.

Hon. Mr. Lang: Mr. Chairman, there are a number of pending decisions that have to be made, but the major projects that were outlined in the previous budget were largely in the municipal area. They were outlined earlier: the Watson Lake sewage lagoon, as well as Haines Junction, Tuchtua, various other major capital works.

I think it is fair to say that we will probably be able to go with most of our municipal responsibilities. There may be some transferring of monies to and from land development, for example, over to projects, et cetera. Those decisions have yet to be made.

Mr. Penikett: Just a supplementary question: in respect to those projects, major or minor, that may not proceed, have all the municipalities involved been notified as of yet?

Hon. Mr. Lang: There have been discussions at the administration level in regard to their amount of monies that are coming forward. As you know there is a great amount of flexibility within the financial framework in order to be able to comply with changes as they occur. As far as the announcements today: no, Mr. Chairman, they have not been directly notified of the various projects that have been delayed, due to the fact that it was felt that the House was the first forum through which the public of the Territory should be informed. I do not think the Member opposite would disagree with that.

Mr. Penikett: Mr. Chairman, I would not disagree with the latter proposition. I was curious, the major projects were referred to today in the announcement, but I now understand, if we are cutting the amount of money referred to in the Government Leader's announcement, there would be some minor capital projects — or less major capital projects — affected too. I am not curious now to get a list, but I would be curious as to when the municipalities would be advised as to which projects, and who is making those decisions — because AYC originally presented a long list of projects they wanted, and so did the municipalities.

We did not have, from the previous Minister of Municipal Affairs, a final statement as to which ones had been approved. Budgetary restraint now requires a further paring of that list. I am just curious as to when a final decision will be made on that and, subsequently, when the appropriate municipalities will be advised.

Hon. Mr. Tracey: Mr. Chairman, I can tell the Members across the floor that the two projects — the sewage lagoons — the LIDs have both been notified previous to the announcement made in the House today, so they were aware that it was happening.

Of the balance of the budget that has been cut, I do not believe any of it is in Municipal Affairs. The Minister will have to speak to that.

Mr. Penikett: This is not a question, but I just observed that it may not be in municipal affairs but it may be in municipalities and that is really the question I was asking.

Hon. Mr. Lang: The monies that we had authorized in the budget on the O & M side as far as unconditional financing are in most part going forward, if not totally. In respect to the capital side, on the capital program it seems to me that most projects will be going ahead. I do not have a list in front of me.

Clause 6 agreed to

On Title

Title agreed to

Hon. Mr. Pearson: I move that Bill No. 2, *A Financial Agreement Act, 1982*, be reported out of Committee without amendment.

Motion agreed to

Bill No. 3

Hon. Mr. Pearson: This Bill provides for the operation of the Territory over the three months of the election period, if you will, by Commissioner's Warrants. This procedure is one that is outlined in the *Financial Administration Act* and the schedule is based on the budget that was tabled in the Spring, with some adjustment in some departments because of cash flow, once again. We do have some departments that spend more money at this particular time of the year than they do in the rest of the year. I can also recall an adjustment, for instance, in the Yukon Legislative Assembly office, simply because they had to pay the bills in respect to the election, one-time bills. We had to build them into these appropriations.

What this is, is an interim supply act, similar to the first one that we passed for one month. This one represents three months, May, June and July, and this money has been appropriated by Commissioner's Warrant.

Mr. Penikett: The Government Leader has referred to cash flow situations and the seasonal demands of various departmental budgets during the election period that we have just been through, and in accrued terms — I suppose on an annual basis, if some of those seasonal spendings vary — we should be talking about a quarter of the expenditures tabled this Spring.

It is interesting to me that the departments of Consumer and Corporate Affairs, Health and Human Resources, Public Service Commis-

sion, Intergovernmental Relations, Heritage and Cultural Resources and Government Services, for example, all spent a quarter of their annual amount budgetted as the budget was this spring.

However, all other departments spent more than that. Education spent something like 31 percent. Municipal and Community Affairs spent 37 percent of their budget. Tourism and Economic Development spent 33. Highways and Public Works spent 34 percent. Finance spent 39 percent of its annual budget. Renewable Resources spent 29 percent. The Yukon Housing Corporation spent 56 percent of its budget. Some of those numbers are understandable, but, as we shall see in Bill Number 4, if we are to achieve the kind of restraint which is now required, there will need to be consequently rather significant reductions if we are to hold down spending because we have had a period of spending, by some departments, way in excess of the quarter of their annual budget which would normally have been expected during the three month period.

In some departments, I would assume, their expenditures that do not change very much from one month to the next. Consumer and Corporate Affairs, perhaps, is an example, or Intergovernmental Relations and Government Services. However, I would appreciate it if the Government Leader could give some indication as to why some of the expenditures were higher than the average. I think Municipal and Community Affairs and Highways and Public Works are not hard to explain. I would be interested in the reasons for Education, Finance and Yukon Housing Corporation having higher than average expenditures for this period.

Hon. Mr. Pearson: In respect to Finance, it will be as a result of the payments of loans that have come due at that particular time: the payment of insurance premiums. Another extraordinary expense that I can recall offhand was the Old Crow School. We had direct payments in respect to that, such as the deductible. In that department, although there are a lot of salaries, it is not just salaries. They do have a lot of these other kinds of payments to make. If they come due at a given time, this is when the cash flow situation comes into play.

In respect to Education, this is the wind-up of the school year and certainly the Department of Education's expenses do fall off in the ensuing months and then pick up again over the course of the winter. Another department that you mentioned was the Yukon Housing Corporation. Other than possibly the necessity to participate in our buy-sell agreement with our employees may well be the reason. It may be that they were faced with the prospect of buying a house or two that could easily throw their very limited budget out of proportion in any given month if you are dealing strictly on a month by month basis.

Mr. Penikett: In answer to a question, the Government Leader referred to loans coming to due perhaps payable by Finance. This Spring the House authorized, for the first time in history, private borrowing by this Government up to a ceiling of \$10,000,000. I would be curious as to whether any of the loans coming due may have been borrowing under that limit. Perhaps the Government Leader might indicate whether he has had occasion to exercise that authority because of the financial situation of the Territory since we last sat?

Hon. Mr. Pearson: That is for borrowing in the future. We have not borrowed any money at this point in time.

On Clause 1

Clause 1 agreed to

Mr. Chairman: Before we go move onto Clause 2, we will go to this schedule. Schedule A, the appropriation for item, Yukon Legislative Assembly, \$569,000.

Yukon Legislative Assembly in the amount of \$569,000 agreed to

Mr. Chairman: Executive Council Office, \$250,000.

Executive Council Office in the amount of \$250,000 agreed to

Mr. Chairman: Education, \$8,412,000.

Education in the amount of \$8,412,000 agreed to

Mr. Chairman: Consumer and Corporate Affairs, \$318,000.

Consumer and Corporate Affairs in the amount of \$318,000 agreed to.

Mr. Chairman: Health and Human Resources, \$6,419,000.

Mr. Kimmerly: I would like to ask the Minister if the payments under the Social Assistance plan are on schedule with the Budget tabled in the fall, that is, is the increase over the previous year's period approximately 10 percent or is it much greater than that?

Hon. Mr. Tracey: As most of the Members across the floor are

aware, we are in bad economic situations so naturally we are going to have further drain on our social services. We are actually overdrawn a significant amount. We are going to have to reassess some of our other priorities in the Government and put the money into social services in order to keep the people above starvation level.

Mr. Kimmerly: The Minister indicated a significant amount. I wonder if you can be a little more specific about that?

Hon. Mr. Tracey: We are projecting an overrun in the neighbourhood of \$500,000 dollars or slightly in excess of that for the whole year.

Mr. Kimmerly: The social assistance payments are made according to the particular client or recipient's budgetary needs. The figure last fall was given at a six percent increase in those nondiscretionary needs, for example, food basket, rent and those sorts of things. Is the six percent guideline proving to be accurate?

Hon. Mr. Tracey: I could not give the Member a definitive answer on that. I can tell the Member across the floor that we are doing a whole complete reevaluation of our social services to find out exactly where we are going to go, what we are going to do in order to ride out this tough economic situation. We will be looking at every area of social assistance to see what we can do in order to make sure that the people who really need it are getting ample money. There will not be any great increase in social assistance by any means. We will just try to realign some of the money so that people who really need it are getting it.

Health and Human Resources in the amount \$6,419,000 agreed to

Mr. Chairman: Municipal and Community Affairs, \$2,396,000.

Municipal and Community Affairs in the amount of \$2,396,000 agreed to

Mr. Chairman: Tourism and Economic Development, \$707,000.

Tourism and Economic Development in the amount of \$707,000 agreed to

Mr. Chairman: Justice, \$2,343,000.

Justice in the amount of \$2,343,000 agreed to

Mr. Chairman: Highway and Public Works, \$9,659,000.

Highway and Public Works in the amount of \$9,659,000 agreed to

Mr. Chairman: Public Service Commission, \$304,000.

Mr. Penikett: I know what the expenditure is so far this year. We have had a look at what is projected. I wonder if the Government Leader could indicate — as I understood it, there was something like \$300,000 in total this year allocated for outside recruitments in the Estimates tabled this spring — has he seen fit to reduce that amount in his own planned expenditures?

Hon. Mr. Pearson: We have not found it necessary to change our policy in respect to hiring yet. I would respectfully suggest that should we get any more of these body blows that we have been receiving in respect to our economy, certainly one of the next things we will be doing is simply saying no more outside hires. I would like to tell the Honourable Member, by the way, we have already said that there is going to be a major reduction in outside costs. The Deputy Ministers have been told that there will be a reduction in outside travel. They are simply not going to have the money any longer. There will be a reduction in such things as consultative services. They are not going to be able to hire consultants the way they have been in the past. We just simply cannot afford it. Certainly one of the ways we can cut expenditures is by reducing outside hires. We are watching that very closely; it is being very closely monitored at this point.

Mr. Penikett: It was not on the subject of the Bill, but I think we would agree with what the Government Leader said.

Mr. Chairman: There being no further debate on the Public Service Commission for \$304,000 —

Some Members: Clear.

Mr. Chairman: I declare that carried.

Intergovernmental relations for \$241,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Finance for \$1,046,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Heritage and Cultural Resources for \$447,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Renewable Resources for \$1,122,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Government Services for \$1,340,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Yukon Housing Corporation for \$873,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Loan Capital for \$2,500,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

Loan Amortization for \$405,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: This is a decrease. I declare that carried. The total is \$38,541,000. Shall that carry?

Some Members: Agreed.

Mr. Chairman: I declare that carried.

We shall now return to Clause 2.

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

Title agreed to

Hon. Mr. Pearson: Mr. Chairman, I move that Bill Number 3, *Interim Supply Appropriation Act, 1982-83 (No. 2)*, be reported out of Committee.

Motion agreed to

Bill Number 4

Hon. Mr. Pearson: Mr. Chairman, there is not much more that I can say about this Bill. It is designed to provide funding for the next four months, or until November 30.

Mr. Chairman, frankly, I did agonize over this date somewhat. I would like to tell Members that I anticipate that we should be in Session about mid-October. I am hopeful that we can be in Session by about mid-October. I do not want to be faced, at that point in time, with going for another interim for the month of November if we just made this to the end of October. I guess it is possible that we could start by mid-October and have a Budget passed by the end of October, and then we would not need an interim supply for the month of November, but I honestly felt that this was a better and more sure way of doing it. We will not have to feel that we have to rush in any way, shape or form when it does come to dealing with the Budget in its totality.

Mr. Penikett: Once again, I have done my arithmetic and I have a couple of general questions to the Government Leader in respect to the spending plans in this next four month period. We just recently discussed, in the previous Bill, the departmental allocations. The proportion of the annual budget that they should have spent is approximately a third. We saw that three or four departments I named were spending more than that in this period.

The picture for the next third of the year changes quite a bit. I note that in that period, Municipal and Community Affairs, Highways and Public Works, Finance and Renewable Resources are all going to be spending more than one third. Some of those departments' expenditures have a greater impact in terms of job creation in the Territory than others and if that is the reason for the above average expenditures in those departments, that is commendable.

Others, I notice, are spending less than a third. Education, Tourism and the Housing Corporation. All of the other departments, with the exception of the Yukon Legislative Assembly, are spending exactly a third. I wonder if the Government Leader might elaborate a little further beyond my speculations as to the reasons for the ways in which various departments are spending their money at odds with the proportion of a third which would represent that part of their budget for the year.

Hon. Mr. Pearson: We do get into the heavy spending period for the Departments of Municipal and Community Affairs, Highways and Public Works, and Renewable Resources at this particular point in time. In that there are payments for contractual work which is normally done during this period. There is accelerated O&M in the summer-

time, particularly in these departments. They simply do not spend as much money in the wintertime. I think it is great that they happened to be the departments that will provide the majority of the labour as well because we are fighting a battle to try to keep as many people at work in the Territory as we can for the Territorial Government at the same time as we are facing these reductions.

I want to emphasize that these numbers on this page reflect all of the reductions that I reported to the House today. In other words, these numbers reflect a decrease in the O&M budget of some \$3½ million. They are reflected on a department-by-department basis throughout the Budget.

Mr. Penikett: Having in mind the much more dramatic reduction in revenues contemplated by the Government Leader in the area of \$13 million, and perhaps it could even be worse — I think that is quite conceivable when you consider that Faro produces about 12% of the Territory's tax revenues — and having a look at the figures that we have in the Bill before us, it would seem that the period covered by the *Interim Supply Bill* and the Supplemental Estimate would involve an expenditure of about 58% of the budget estimates as they were tabled in the Spring.

The Executive Council Office, Consumer and Corporate Affairs, Health and Human Resources, Justice, Public Service Commission, Intergovernmental Relations, Heritage and Cultural Resources and Government Services, notwithstanding what the new Minister of Health and Human Resources said, they are all on target as far as that 58.5% is concerned. However, Education, Municipal and Community Affairs, Tourism and Economic Development, Highways and Public Works, Finance, Renewable Resources and Yukon Housing Corporation average more like 70% of the annual expenditures projected this Spring, than 58%.

My concern, therefore, given the period of restraint and given the dramatic decline in revenues that were announced today, and given that the expenditures have only been reduced by this budgetted amount by \$4 million, causes me to be deeply concerned about spending in the last quarter of this year. In order to reduce expenditures sufficiently to bring them in line with revenues, because we are not going to balance the budget this year, but to even get it close to moderating the deficit, there is going to have to be fairly radical cuts required in the last quarter. I would be interested in the Government Leader's comments on that. Let me just express my interest clearly if I can, not only in the human welfare of the people of the Yukon. It occurs to me that if the Government radically reduces its spending in the last quarter, there is a real fiscal danger for the Territory. It is this: one of the causes of such cuts would be a loss of people in the public service, I expect. If programs are cut, people would leave. There would be people in the private sector who have depended on the spending of those people in their communities. Small communities are especially vulnerable as those people might also leave.

The cost to the Territory of people leaving in the last quarter is fairly enormous because people who leave after several months of earning here or leave in the last quarter and move someplace so that they are residing somewhere else at the end of the year, means that we will not, in the following two years when the accounts are finally settled on income tax, receive the benefit of the income taxes from their earnings while they were in Yukon. I ask the Government Leader, because we do not know yet what is going to happen in the final quarter, if he has given any thought to this problem, and if it was an issue in preparing this interim supply?

Hon. Mr. Pearson: Mr. Chairman, it has been given a lot of thought, and it is a real issue, and it is one of the real fears we have, because we have absolutely no control over that. Members have to understand that when workers move out of the Territory, we are losing more than them just leaving the Territory; we are losing our share of the income tax that they would pay in this present year if they file somewhere else in Canada on December 31. It is a major concern.

We think that we have made the necessary cuts that we have to make in order to put our case to the Federal Government, so that we are not going to have to cut any more this year. We are hopeful that we are proving to the Federal Government, in doing what we have done, that we are responsible, we recognize the problem that everybody is having, our revenues are down and we are projecting those revenues to be down for the rest of the year. We think that we are getting together

the statistics that will make it clear that our revenue projections for the remainder of the year are correct, and that any reduction now would in fact be a reduction in programs. Any further cuts would be cuts in programs, and this Territory just simply cannot stand that. We are providing minimum standard programs now and we cannot cut them any more.

We have had indications from the Federal Government that they are sympathetic to what we are going to have to say in respect to all of this. They are not blind to the fact that we have real problems. As I indicated earlier, there are other places in Canada that are having, on the same scale, just the same kind of problems that we are. We put this together on this basis: if we can keep our expenditures to these levels for these four months, then we are going to end up at the end of the year with a couple of hundred thousand dollars in the bank, but that is it.

Mr. Penikett: I agree to a great extent with the way the Government Leader has characterized the level of programs in the Territory, and I think he would probably also agree that if you were going to make cuts in terms of loss of people and tax revenue, the worst possible quarter in which you had to make those cuts would be the last quarter of the year.

The Government Leader has just projected, given the situation, a surplus of \$200,000 — given this figure and his statement earlier today. It was given also that it is possible that before things get better, they could get worse, and in the Government Leader's statement today, he talked about a loss of \$13 million in revenue and \$4 million in cuts.

If the situation did not improve, it is at least possible then that we could face a deficit at the end of this fiscal year, which would be larger than one we have ever had before, and I wanted to ask the Government Leader, in terms of his projections here, what is our position at this moment in terms of financing such a deficit?

Hon. Mr. Pearson: Mr. Chairman, I guess that is the reason I was shaking my head, because if the Leader of the Opposition thinks that it is a case where we can just go ahead and write cheques, we cannot do that. We have to get the money, we cannot deficit finance in this Government, we don't have that capability. If we cannot raise the money on our own, and we cannot get it from Ottawa, then we cannot spend it.

Mr. Chairman, if our cash flow goes to the point where we cannot meet payroll, then we have a very, very serious problem, and that is the issue we are dealing with. We are on the wire with respect to meeting payroll.

Now that does not happen for two or three months down the road. There is no need for anybody to worry about that, because in fact, with the cuts that we have made, we have now eliminated that possibility, for all intents and purposes. Should we get to the point, though, where we cannot meet payroll, we will know early enough that we can make cuts. We would have to reduce staff, we would have to reduce programs, we would have to make cuts. But we do not have any capability to spend money that we do not have.

Mr. Penikett: I should remind the Government Leader that this is the New Democratic Party over here, and not the Social Credit Party. We are not proposing you write cheques if you don't have any money in the bank. Let me just ask the Government Leader, though, because he and I have on previous occasions in this House discussed the working capital position in the Territory. I do not want to get into a long debate about that now, but let me ask him if in the context of this Bill, he could tell the House what his projection is of the working capital position of the Territory at the end of this period covered by the Bill, and if he can by the end of this fiscal year.

Hon. Mr. Pearson: Mr. Chairman, I don't have it here, but I do have a projection of cash flow right to the end of the fiscal year, given this in place. I would guess that at the end of November, we would have a working capital balance of, I would think, probably about \$1 million.

Mr. Chairman, on April 1, 1982, we had cash on hand of \$11,939,000. That was our cash flow. We are anticipating, on March 31, 1983, one year later, to have cash on hand of \$543,000.

That is a reduction of \$11.4 million dollars.

Mr. Penikett: That, Mr. Chairman, is how you fund an operating deficit.

Mr. Chairman: Is there any further general debate on Bill Num-

ber 4? If there is no further debate, we shall move onto Clause 1.

On Clause 1

Clause 1 agreed to

Mr. Chairman: Before we move onto Clause 2, we shall go to Schedule A of Bill Number 4.

On Yukon Legislative Assembly

Mr. Chairman: Yukon Legislative Assembly - \$343,000.

Yukon Legislative Assembly in the amount of \$343,000 agreed to

On Executive Council Office

Mr. Chairman: Executive Council Office - \$314,000.

Executive Council Office in the amount of \$314,000 agreed to

On Education

Mr. Chairman: Education, \$8,616,000.

Education in the amount of \$8,616,000 agreed to

On Consumer and Corporate Affairs

Mr. Chairman: Consumer and Corporate Affairs, \$424,000.

Consumer and Corporate Affairs in the amount of \$424,000 agreed

to

On Health and Human Resources

Mr. Chairman: Health and Human Resources, \$8,559,000.

Health and Human Resources in the amount of \$8,559,000 agreed

to

On Municipal and Community Affairs

Mr. Chairman: Municipal and Community Affairs, \$2,234,000.

Municipal and Community Affairs in the amount of \$2,234,000

agreed to

On Tourism and Economic Development

Mr. Chairman: Tourism and Economic Development, \$699,000.

Tourism and Economic Development in the amount of \$699,000 agreed to

On Justice

Mr. Chairman: Justice, \$3,124,000.

Justice in the amount of \$3,124,000 agreed to

On Highways and Public Works

Mr. Chairman: Highways and Public Works, \$10,616,000.

Mr. McDonald: I can see that the expenditure projections are approximately \$60,000 more than that allotted in the *Second Interim Supply Appropriation Act*. I wonder if the Minister could state whether this estimate of \$10,616,000 will include or will provide for normal or standard road maintenance in my riding, specifically the Mayo/Elsa/Keno area up to the time established ending November 30, 1982?

Hon. Mr. Pearson: Number one, it has to be recognized by all Members that this *Interim Supply Appropriation Act* is for one month longer than the other one. This is a four month period as opposed to a three. At this time, included in that figure, will be the normal maintenance of the Mayo-Keno road. When these numbers were put together — and even at this point, we have not made any definitive decision in respect to whether or not there will be a need to keep that road open. We do not know, like I am sure the Honourable Member does not know, whether there is going to be a need to keep that road open this winter. At the present time, we do not plan to close it. Because the money is voted here does not necessarily guarantee that the road will be kept open all winter either. It is a real question and I appreciate the Member's asking it. I recognize the concern that he has. We do have a road policy in the Territory. It is quite straightforward. It is a major decision for us to decide to close a road, and that would be quite a major decision for us to have to make.

Mr. Chairman: Highways and Public Works.

Department of Highways and Public Works in the amount of \$10,616,000 agreed to

Mr. Chairman: Public Service Commission.

Public Service Commission in the amount of \$405,000 agreed to

Mr. Chairman: Intergovernmental Relations.

Intergovernmental Relations in the amount of \$321,000 agreed to

Mr. Chairman: Finance.

Department of Finance in the amount of \$983,000 agreed to

Mr. Chairman: Department of Heritage and Cultural Resources.

Department of Heritage and Cultural Resources in the amount of \$596,000 agreed to

Mr. Chairman: Renewable Resources.

Department of Renewable Resources in the amount of \$1,449,000

agreed to

Mr. Chairman: Government Services.

Department of Government Services in the amount of \$1,787,000 agreed to

Mr. Chairman: Yukon Housong Corporation.

Yukon Housing Corporation in the amount of \$358,000 agreed to

Mr. Chairman: Loan Capital.

Loan Capital in the amount of \$3,333,000 agreed to

Mr. Penikett: Before we conclude Schedule A I would like to slip in a question. As I remember the Spring budget, I think there was something like \$159,000 allocated for the purchase of vehicles this year. I wonder if the Government Leader could tell me if that expenditure will proceed?

Hon. Mr. Tracey: Yes, I believe we reduced that by \$60,000 to \$100,000 and I believe it will all be spent.

Mr. Chairman: Loan Amortization.

Loan Amortization in the amount of \$2,149,000 agreed to

Total amount of \$46,310,000 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

On Title

Title agreed to

Hon. Mr. Pearson: I move that Bill No. 4, *Interim Supply Appropriation Act, 1982-83, No. 3*, be reported without amendment and that you beg leave to sit again.

Motion agreed to

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Mr. Falle: I move that Mr. Speaker do now resume the Chair.

Motion agreed to

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

May we have a report from the Chairman of Committees.

Mr. Philippen: The Committee of the Whole has considered Bill Number 2, *The Financial Agreement Act, 1982*, Bill Number 3, *The Interim Supply Appropriation Act, 1982-83, (No. 2)*, Bill Number 4, *Interim Supply Appropriation Act, 1982-83 (No. 3)*, and have directed me to report the same to you without amendment and I beg your 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?

Mr. Falle: I move that we do now adjourn.

Mr. Penikett: I will second that.

Mr. Speaker: It has been moved by the Honourable Member for Hootalinqua, seconded by the Honourable Leader of the Opposition, that we do now adjourn.

Motion agreed to

Mr. Speaker: This House stands adjourned until 1:30 p.m. tomorrow.

The House adjourned at 5:20 p.m.

The following Sessional Papers were tabled Tuesday, July 13, 1982:

82-1-2

Annual Report: Yukon Transportation Public Utilities Board
1981/1982

82-1-3

Annual Report: Yukon Electrical Public Utilities Board 1981/
1982

82-1-4

Annual Report: Yukon Teachers' Staff Relations Board, 1981/
1982

82-1-5

Annual Report: Yukon Public Service Staff Relations Board
1981/1982

The following documents were tabled Tuesday, July 13, 1982:

82-1-6

Budget dates in relation to announcements of mine closures, etc.

82-1-7

Government of Yukon Revenue and Recoveries

82-1-8

Government of Yukon financial situation as of July 9/1982

