



The Yukon Legislative Assembly

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HANSARD

Monday, November 8, 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.
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
Deputy Sergeant-at-Arms
Hansard Administrator

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

Whitehorse, Yukon
Monday, November 8, 1982

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

DAILY ROUTINE

INTRODUCTION OF VISITORS

Hon. Mrs. Firth: As Minister of Education, I would like to introduce today the 14 students from the Vocational School present in the gallery. They are taking the Life skills Course at the Yukon Vocational Technical Training Centre and their instructor, Jose Ariza, is with them. I would like to welcome them here today.

Applause

Mr. Speaker: Are there any returns or documents for tabling?
Are there any reports of committees?
Petitions?
Reading or receiving of petitions?
Introduction of bills?
Are there any notices of motion for the production of papers?
Notices of motion?

NOTICE OF MOTION

Mr. Phillipson: I would like to give notice of motion, moved by myself, seconded by the member for Old Crow, Mrs. Kathie Nukon, that the Government of Yukon support in principle the development of a deep water port along its northern coastline, providing such development is socially and environmentally sound; and that the Government of Yukon request the federal government to declare its position with respect to this development as soon as possible.

Mr. Speaker: Are there any further notices of motion?

Mr. Brewster: I would like to make the following motion, seconded by the honourable member for Hootalinqua, be it resolved necessary for the Government of the Yukon to initiate a poison program to control the wolf population in Yukon.

Hon. Mr. Lang: I would like to give notice of motion re: COPE Land Claims.

Mr. Speaker: Are there any further notices of motion?
Are there any statements by ministers?

MINISTERIAL STATEMENTS

Hon. Mrs. Firth: I would like to report to the House on the matters that were discussed at the meeting I had with the honourable Lloyd Axworthy, federal Minister of Employment and Immigration, Thursday, November 4, 1982, in Vancouver. The major item of discussion was the newest job creation fund that has been set up by the federal government to establish the National Emergency Employment Program. \$500,000,000 has been allocated for this purpose. It is being directed to the individuals who have been hardest hit by the current recession. For instance, the long-term unemployed and people whose unemployment benefits have expired or will be expiring in the near future. Firm guidelines will be released in the next couple of weeks and then we will have a better idea of the amount of funds that Yukon will be eligible for and how the allocations will be made.

In the meantime, the Yukon Government will be moving ahead with the Job Creation, and the Bridging Assistance programs that were announced in the Throne Speech.

In closing, I would like to assure my fellow members that I brought to Mr. Axworthy's attention the unanimous motion that was passed in the legislature on November 2nd, concerning the late payment of unemployment insurance benefits to many Yukoners. I stressed the importance of rectifying the situation that currently exists. The hon. Mr. Axworthy assured me that action will be taken to speed up the delivery of cheques.

Mr. Byblow: In response to the minister's statement, I would like to express some appreciation, especially on behalf of my constituents, regarding the personal delivery of the message that this House en-

dorsed last week regarding the late payments of unemployment insurance entitlements.

On the matter of the new job creation fund, sponsored by the federal government, I have no hesitation in recommending to the minister that one of the most valuable job creation projects this winter, or any winter, is operation of the Cyprus Anvil mine. Regardless, the fact remains that while make-work projects will not rebuild our economy, we recognize the need to engage in the emergency measures, as the minister has announced, in order for the workers of the territory to be permitted to remain through the winter, especially in cases where they are left without any unemployment insurance entitlement.

"I think my party will look forward to specifics of the program. Certainly the amount of funding, the project prioritization, the expected management and control regime, and probably something very important to many workers will be whether the unemployment insurance eligibility will accrue under this program, so that when they are off the program as to whether they will be entitled for normal benefits.

I do not think that anyone is particularly comfortable in a make-work economy but, in light of the options, I am glad to see another initiative being developed by this government to retain our work-force in the Yukon this winter.

QUESTION PERIOD

Question re: Territorial budget

Mr. Penikett: I have a question for the Government Leader. Both the territorial budget and the territory's economic recovery package appear to be based on the assumption of an economic recovery in the spring of 1983. Could the Government Leader, either in his capacity as Minister of Finance, or as the economic development minister, briefly indicate to the House the reasons behind this assumption?

Hon. Mr. Pearson: It is true that our budget is predicated, to some degree, on there being an economic recovery next spring. However, this budget only goes until March 31st next. It will be incumbent upon us, at that point in time, to table another budget or something prior to that date.

I am not sure now the Leader of the Opposition can say that the budget now before us has any reflection of an economic turn-around in the spring.

We did indicate that, though, in the Throne Speech. We think that it is going to happen. There are a number of indicators, particularly in the mining sector. I guess, probably, because we are small and because the economic turn-around is going to be geared, primarily, to the mining sector, when things do change, they are very likely to change very quickly up here. When I say "up here", I mean in Yukon, as opposed to the rest of Canada or even North America, generally.

I believe that it will be slower. I believe it will be fall before the real benefits of any kind of an economic turn-around are felt outside of Yukon. I honestly believe that here, in the territory, there are not very many things that have to happen, and most people will be back to work. There will be new mines opening up. There are indications now that companies are interested in getting to work and getting to work very quickly in the spring.

Hopefully, the Cyprus Anvil situation will be resolved by then. All of the indications have been that Cyprus Anvil was going to open up. I am not going to anticipate questions at this point, but I am sure there has got to be a lot of concern about the announcement from Faro over the weekend. Hopefully, I can say something about that later on.

Mr. Penikett: I thank the Government Leader for his lengthy reply and I wish to pursue, by way of a supplementary, the indicators he referred to.

I am concerned, because an increasing number of forecasters are predicting little improvement in the Canadian economy and the mining sector until late 1983, so I would ask the Government Leader exactly what indicators, if he could elaborate, cause him to believe Yukon will recover sooner than that?

Hon. Mr. Pearson: We have received indicators that it is anticipated that gold is going to increase in price. Silver is going up now and is attaining fairly marketable prices in respect to United Keno Hill. I expect, frankly, that Venus will start operation in the spring. I fully expect that United Keno Hill will go back to work in the spring. Do not discount what work is taking place, and will be taking place, in

MacMillan Pass over the course of the winter and next spring as well.

Mr. Penikett: I assume we shall continue to see some relationship between the price of gold and interest rates. Is the Government Leader indicating, in reference to Cyprus Anvil, since he did tie the question of recovery to a decision in respect to that property, if it is now his expectation, or the government's operating assumption, that the mine is not now going to reopen until the spring?

Hon. Mr. Pearson: I thought that I made it clear, both in the Throne Speech and in the Budget Speech, that that budget is predicated on the assumption that Cyprus Anvil is not going to open up until next spring.

Question re: Small business

Mr. Byblow: I would tend to be a little more optimistic than the Government Leader, however, I shall not pursue that at this time.

In order to set the record straight concerning this government's attitude towards small business, could the Government Leader state what he meant when he said that a good businessman would have packed up and left Faro and Yukon, this past year, had he known the mine would close as long as it did?

Hon. Mr. Pearson: That is not what I said at all. I said that the hon. member would have packed up and left.

Mr. Byblow: I would like to pursue, in a supplementary, what the Government Leader meant when he did, in fact, say that a good businessman would have left the community when, at the same time, he is, in his economic and budgeting projections, saying that working people should be toughing it out this winter. Why are working people being asked to tough it out and small business people are being asked to leave?

Hon. Mr. Pearson: The member still has not read what is, in fact, recorded in Hansard. He knows very well what I was saying, and he also knows exactly what I was intending to say. It is not necessary for the member for Faro to tell me what I intend to say at any time.

Mr. Byblow: I would like to read into the record what the Government Leader did say.

Mr. Speaker: Order please. I am afraid the Chair cannot allow the member to debate at this time. If the hon. member has a question within the confines of the rules governing the question period, I would ask him to now proceed with the question.

Mr. Byblow: Thank you Mr. Speaker. Because the Government Leader said that he would have had time to get out of his business, because a good businessman would have done that, can he explain why small businesses should be expected to pull up stakes when times get tough?

Hon. Mr. Pearson: Well, I have been a small businessman in this territory for a long time, a lot longer than the member from across the floor. And I have made it clear that I am not pulling up stakes, and I am not leaving. Now, the member knows exactly what I did say. I had just been severely criticized by him because I did not look into a crystal ball and foresee that Cyprus Anvil mine was going to close up. I will say it again. If the hon. member would have known in March, when we were debating that budget, that Cyprus Anvil mine was going to close up, he would have sold out.

Question re: Health, hospital cutbacks

Mr. Kimmerly: The question is for the Minister of Health and Human Resources. Is the minister aware of the cutbacks in physiotherapy services at Whitehorse General scheduled for this Friday, and if so, what steps did the minister take to maintain the service?

Hon. Mr. Tracey: Yes, I am aware that physiotherapy is going to be closed in the hospital this week. As the member knows, I have very little control over whether they close that facility or not. I have instructed my secretary to prepare a letter to Monique Bégin, giving the government's position that we would prefer that physiotherapy be kept in the hospital. That will be sent to Mrs. Bégin tomorrow.

Mr. Kimmerly: I thank the minister for the answer. Is the minister also contemplating taking the same action that he rightfully took about the potential closing of the children's ward at the hospital?

Hon. Mr. Tracey: No, I believe that the hospital must find some methods of cutting its costs. This is one that I prefer that they do not do cut, and it is one that I will make representation to the federal govern-

ment to try and have changed. I do not believe that we have the authority to go over to that hospital, as much as we would like to. We would like to take over health and that hospital. But until that happens, I believe that they have the obligation to run their department efficiently.

Mr. Kimmerly: I do not want the physiotherapy unit closed down. I do not want to see the pediatric ward closed up, but I also have to recognize that they have to find some efficiency somewhere and, if that is one of them, then so be it. I will still make the representation to the federal government that it not be closed and, hopefully, the federal government will look at the situation and say perhaps we should make a little more money available there.

Mr. Kimmerly: If the physiotherapy services are, in fact, cut, will the minister reinvestigate the possibility of covering physiotherapy under the Yukon Medicare Plan?

Hon. Mr. Tracey: Including physiotherapy in the Yukon Medical Plan is something that this government has full intentions of doing when our monetary situation turns around. We are not in a position, at this time, to implement physiotherapy in our health care. We cannot afford to do it. It is something, as I said, that we want to bring in, but there is a time and a place for everything, and in our economic situation right now, I do not believe it is the place or the time.

Question re: Conservation

Mr. Porter: I have a question for the same minister under his responsibilities for renewable resources.

As of three weeks ago, only two game branch offices outside of the Whitehorse area were being manned by conservation officers while hunting season was still on. Can the minister explain to this House as to which policy would allow such a situation to occur?

Hon. Mr. Tracey: I think it is a frivolous question. If we need people in the game branch as conservation officers, we put out applications to try to hire them. If we cannot fill the positions, we do not have the officers.

Mr. Porter: Can the minister inform this House as to how many vacancies presently exist in the department in respect to conservation officers?

Hon. Mr. Tracey: No, I could not give you an accurate figure. I believe it is three or four.

Mr. Porter: Of the vacancies that have been filled to date, can the minister tell us as to the background of the individuals who have filled the positions? Have they, in fact, been people who have had certified diplomas or degrees in the area of conservation?

Hon. Mr. Tracey: No, I am not that aware of what the capabilities are of the conservation officers hired. I am sure that the department has looked at them all and hired them on merit.

Question re: Legal assistance

Mrs. Joe: I have a question for the Minister of Justice. In the past, all women applying for maintenance through the courts, have always received assistance through YTG legal services on processing claims. I have received information that the YTG legal services is now only assisting those women who are receiving social assistance. Can the minister tell me if, in fact, this information is correct?

Mr. Speaker: The question is seeking an opinion of the minister, however, proceed.

Hon. Mr. Ashley: You are asking me if it is fact? I will find out for the member.

Mr. Speaker: Questions seeking the opinion of the minister are really out of order.

Mrs. Joe: I was asking about information which I have received, and what I wanted to know was whether or not the information I received was correct, that there has been a change in the process as it is now? If the minister cannot answer that question, I have a supplementary. If he does find out that this information is correct, can he tell me why the women who are not on social assistance are not receiving the same assistance as they were in the past?

Hon. Mr. Ashley: I will bring that answer forward at the same time as the first one.

Mrs. Joe: If the minister does find out that, in fact, this information is correct, will he then assure us that he will rectify the matter?

Hon. Mr. Ashley: I do not know what the answer is now, so I

cannot answer yes or no to that question.

Question re: Highways, plowing private driveways

Mr. McDonald: I have a question for the Minister of Highways. In past years, the government's highways department has plowed out driveways for people living by the Alaska Highway and has levied a charge for this service. Is the minister aware that residents around mile 945 face a snow clearing increase of 300 percent as a result of this continuation of highways practice and, if so, could you outline the reasons for this change in highways policy?

Hon. Mr. Lang: It has always been the policy of the Department of Highways to clear out, on a third party basis, accesses directly to the highway. Within the Whitehorse area we have been approached by one contractor, and the possibility of some other contractors, over the course of the winter who are prepared to do that type of work. Therefore, the priorities of the highways department is the highways. It will give us more time to concentrate on the major thoroughfares throughout the territory, especially in the Whitehorse area, as opposed to having to do this other work as we have done in the past. It is my understanding that the people who are prepared, have indicated to those people who need that service, that they will be charging the same rates as the Government of Yukon Territory applied.

Mr. McDonald: I note that even if Highways withdraws service from these residents, the Government Leader has announced that the government is prepared to save Cyprus Anvil \$250,000 by taking over maintenance of the mine access road from private contractors. Could the minister please explain the apparent contradiction of these two policies?

Hon. Mr. Lang: It will probably do the member well to listen to the answer as far as rising on supplementaries. It is my understanding that the contractor is charging the same amount as the Government of Yukon Territory would have.

Question re: Cultural and Heritage Resources

Mr. Penikett: I have a question for the Minister of Cultural and Heritage Resources. On September 7 of this year, the Whitehorse Star reported that Whitehorse Copper Mine had offered some of its old diggings to the Cultural and Heritage Resources Department as a historical site, the cost being the cost of preserving the site. Would the minister indicate to the House what action, if any, her department took on this offer?

Hon. Mrs. Firth: The department has just sent a letter to Whitehorse Copper accepting their proposal.

Mr. Penikett: The minister indicates that the department just sent a letter. I note from the Whitehorse Star story that the deadline for acceptance of the offer was September 17. Perhaps the minister, in answering my next supplementary, could indicate if she meant that date. I understand the mine would be saving a considerable amount of money by the department accepting this offer. Could the minister tell me if she was able to do some kind of quick cost benefit analysis of the terms of acquisition?

Hon. Mrs. Firth: The Whitehorse Star does not set the deadlines with the Government of Yukon when we are in fact receiving some suggestions from Whitehorse Copper as to an historic site to be preserved. As to negotiations or costs that the member opposite is asking about, I believe there was no cost involved. It was just given to us by Whitehorse Copper.

Mr. Penikett: The Whitehorse Star may not set the terms, but I am sure the minister would agree, they probably report them accurately enough. I would like to ask the minister if the entertainment of this offer has caused the department to come to some conclusions about a general policy in respect to such offers from the private sector, in regard to this kind of historic site?

Hon. Mrs. Firth: Yes, the department is investigating the establishment of a policy.

Question re: Yukon Hydro

Mr. Byblow: I have a question I will direct to the Government Leader on the subject of his government's newest crown corporation. I understand from a letter sent to Mr. King, President of Yukon Hydro, by this government's Minister of Economic Development in the previous administration, that a management agreement would be negoti-

ated prior to final purchase of that 50 percent interest. Has this management agreement been reached?

Hon. Mr. Pearson: No.

Mr. Byblow: When the management agreement is reached, is the government prepared to table it in the House before the actual purchase of that 50 percent interest?

Hon. Mr. Pearson: No, I doubt that it would be practical for me to make such an undertaking.

Mr. Byblow: I trust the Government Leader is alluding to interference in the process of negotiations. Could I ask him, as a third supplementary, has this government funded any of the preliminary work on MacIntyre 3?

Hon. Mr. Pearson: No.

Question re: Yukon Opportunities Plan

Mr. Kimmerly: I have a question for the minister responsible for social assistance and the Yukon Opportunities Plan.

As the minister is probably aware, the Special Employment Resource Service is closing because its federal demonstration grant is concluding. Is the minister anticipating taking any steps to facilitate the continued operation of the service?

Hon. Mr. Tracey: I was not aware of what the member across the floor has raised. The Yukon Opportunities Plan is a program that we have set up, as I have said numerous times in this House, to try to find employment for these people. If one of the other programs of either my department or the federal government's department is closing, it is because it has run out of funding. We do not have unlimited funds to keep all of our programs going. We have to assess them all and make a decision of which have the most benefit for Yukoners, and that is what my department is doing. It is the reason we brought in this plan and, if some other project has to suffer, well, I am sorry that it has to happen but we do not have unlimited money.

Mr. Kimmerly: As the Special Employment Resource Service is also a counselling and employment referral service, very similar to the Opportunities Plan, if it is to close, will the minister investigate what part of the service can be taken over by the Yukon Opportunities Plan?

Hon. Mr. Tracey: Yes, I will give the member across the floor that assurance.

Mr. Kimmerly: Will the minister also investigate any coordination that may be possible between the Special Employment Resource Service and the rehabilitation counsellors in the minister's department?

Hon. Mr. Tracey: I think that I made my position fairly clear on this. This Yukon Opportunities Plan is going to look at all available help for people and certainly everything that my department or the federal government or any private agency has that would help us get people off of the social insurance rolls, we will be looking at.

Question re: COPE Agreement

Mr. Porter: My question is to the Government Leader. Two weeks ago a Canadian Press story concerning the COPE negotiations quoted a Mr. John McGilp as speaking on behalf of the Yukon Government. I would like to know if it is government policy to have contract employees speak as representative of the government?

Hon. Mr. Pearson: John McGilp, as all members should be aware, is the negotiator working for this government in respect to the COPE Agreement. If he is asked questions by the media in Ottawa, where he happens to live and be stationed, I certainly have no problem with him replying to those questions.

Mr. Porter: Is Mr. McGilp the sole negotiator representing the Yukon Government at those talks?

Hon. Mr. Pearson: I am not sure what the word "sole" means to the hon. member. Mr. McGilp is under contract to this government as the COPE negotiator.

Mr. Porter: Could the Government Leader inform the House as the length or duration of that contract and the amount specified?

Hon. Mr. Pearson: I do not know the amount specified. He is on a contract with this government and I believe the contract calls for 30 days notice of termination.

Question re: Women's Bureau

Mrs. Joe: Last week I asked the minister responsible for the

Women's Bureau about a review that was being done on Yukon legislation to ensure that there is no discrimination based on sex. This minister assured me that it was in progress. Can he now tell me when we can expect to have this study completed?

Hon. Mr. Ashley: No I cannot inform you of any particular date when it will be completed.

Mrs. Joe: Can the minister tell us if he is now preparing legislation to correct any identified discrimination?

Mr. Penikett: Answer the question, please, if you can. Show some respect.

Hon. Mr. Ashley: In answer to the question, no, we have not, as such, written any legislation.

Mrs. Joe: I would like to know from the Minister of Justice if we will be receiving the review once it has been done? Will it be available to women's groups and to the opposition?

Hon. Mr. Ashley: As legislation is being written and redrafted, it is always being looked at, just in case there is any discrimination that might possibly have crept in. We are, certainly, aware of it as it is being written and are reviewing it.

Question re: Highway signs

Mr. McDonald: I have another question for the Minister of Highways. Recently, a letter dated October 22nd, from the minister's office stated that the Ministry of Tourism and the Yukon Visitors' Association were discussing the prospects for a new highway sign policy. As the tourist season is only six months away, when does the minister anticipate deliberations ceasing and policy formulation beginning?

Hon. Mrs. Firth: That question, I believe, should be directed to me as Minister of Tourism, Heritage and Cultural Resources. We will be making a major policy announcement regarding the signage policy of the Yukon Territorial Government, probably within the next couple of weeks.

Mr. McDonald: I thank the minister for the quite unexpected answer. I have a supplementary question that probably should be for the Minister of Highways. The policy directive accompanying the letter to which I referred in the first part of my question, entitled "Highway Information Signs", makes allowances in the current information sign systems for guidance signs. What action is the government taking to increase the information service which these guidance signs provide on the Alaska Highway corridor?

Hon. Mr. Lang: They will all be taken into account. The policy itself is being developed through the Department of Tourism. Once it is decided upon by Cabinet, then the Department of Highways will have the responsibility of implementing it.

Mr. McDonald: Given that the existing policy directive, which, I suspect, is currently in force, and which allows for guidance systems, I have a specific instance which requires some clarification. What action has the government taken to provide for a junction sign in the Crestview area indicating the direction to Dawson and points north?

Hon. Mr. Lang: That is a question that is outstanding and I am sure there will be some sign in close proximity to that area once the sign policy has been adopted.

Question re: Shakwak Road Construction Project

Mr. Penikett: I have a quick and easy question for the Government Leader.

In the Throne Speech, there was a statement that this government has been led to believe that the Shakwak Road Construction Project will again be approved by the United States Congress within the next six months. Could the Government Leader indicate how his sources were able to determine the will of this legislative body that had much of its membership changed on November 2nd?

Hon. Mr. Pearson: We have been advised that, in fact, it is the political will of a number of Alaska people who are directly involved, that the Shakwak Valley project be continued.

We have also been assured that they are prepared to carry this battle to both Juneau and Washington as quickly as they can possibly do so. The information that we have received is that, given this political will, it is pretty well a certainty that the American Congress will appropriate at least enough funds to finish off the section between Haines and Haines Junction in Yukon.

Mr. Penikett: I understand the Alaskans have not been happy

with the employment provisions under the original Shakwak agreement. Has the Government Leader received many assurances from his Alaskan friends, in previous conversations referred to, that there will be the same number of jobs for Yukoners on the Shakwak project, if it does open, or have the Americans indicated that they would expect concessions on jobs?

Hon. Mr. Pearson: No. There have been no indications of any changes or concessions at all. Their interest seems to be a pretty fundamental one. They would like to have that road upgraded to a standard that they think it should have.

Mr. Penikett: Is the Government of Yukon directly, or indirectly, lobbying the American Congress for funding of this project? If so, who is doing this lobbying and at whose expense?

Hon. Mr. Pearson: Primarily, our lobbying has been to the Minister of Public Works of the Government of Canada and to his department, because they are in direct contact with the officials in Washington who have to make this money available from the official level.

On the local scene, we have lobbied the American senators involved in Alaska to a large degree.

Question re: Health

Mr. Kimmerly: A question for the Minister of Health.

As I understand the situation, persons afflicted with a recognized chronic disease are currently eligible for financial assistance towards the cost of drugs for their treatment.

Mr. Kimmerly: Would the minister consider lobbying for the addition of Parkinson's disease on the chronic disease list?

Hon. Mr. Tracey: I am aware that the member received the same letter as I did from the person who wrote me in regards to Parkinson's disease. There is one problem, and that is if the federal government opens up the list of chronic diseases that they will cover the drugs under, where will it stop? For example, Parkinson's disease probably should be on that list. Perhaps heart problems should be on the list. There are many others, which could be called chronic diseases, that could possibly be on that list. The federal government has to draw the line somewhere and they have drawn it here.

I am not sure that they are right, or that we are right in asking for more. I do recognize the tremendous cost it would be if they were to put additional chronic diseases on that list. I think, while I agree that Parkinson's disease should be on it, I would have to leave it to the federal government. They are much more aware of what the cost would be to them than I am. I have already asked my department to prepare a reply for me. I can certainly say to the federal government that I think that, perhaps, they should consider including some of the other diseases. I think it is the federal government's responsibility.

Mr. Kimmerly: There is a second letter from the federal Minister of Health and she says the territories have never requested the addition of Parkinson's disease. Will the minister clarify his previous answer. Is he going to request the addition of Parkinson's disease?

Hon. Mr. Tracey: I said that I was prepared to write a letter to the minister in Ottawa expressing our concerns, and I will do so.

Mr. Kimmerly: If Parkinson's disease is not included on that list, will the minister consider including the cost of drugs for Parkinson's disease under the Medicare plan?

Hon. Mr. Tracey: No, I will not make that commitment at this time.

Question re: Trapline No. 222

Mr. Porter: I have a question for the Minister of Renewable Resources.

Can the minister confirm to the House as to whether or not he is aware that his department has transferred trapline no. 222 from an Indian person to a non-Indian person?

Hon. Mr. Tracey: No. I am aware that some traplines have been transferred, and a probationary licence given out on them. Subsequent to the member's questioning previously, I have asked my department to give me the details on it. I have not had those details but, as I stated to the minister a few days ago, I think it is very necessary that the Indian people who have traplines, who are not trapping them, should be trapping them. I think it is also something worthwhile considering that, for the members of the opposition, when it comes to Native

traplines, if they believe that they have the right to have the traplines, which I agree that they do in certain cases, I also believe that it is their responsibility to trap those traplines. It is my responsibility, as the minister responsible for renewable resources, to ensure that those traplines are being trapped, and we are getting the benefit of the fur that is on them.

Mr. Porter: I had no intention of a supplementary to the question, but the conduct of the minister causes me to continue.

Is the minister, in fact, charging that Indian people do not trap their lines?

Hon. Mr. Tracey: In quite a few cases, yes, that is exactly what I am saying. I am not saying that the White people do not do it as well, but far more Native people do not trap their lines, than White.

Question re: Macauley Lodge

Mrs. Joe: I have a question for the Minister of Human Resources.

A constituent of mine, now residing in Alexander Lodge, applied for admission to Macauley Lodge and, as I understand her situation, she has been accepted awaiting room at Macauley Lodge when it becomes available. I wanted to know how long the waiting list is for Macauley Lodge?

Hon. Mr. Tracey: I do not know what the member across the floor expects I am going to carry around in my head. I do not know that. I do know that there are quite a few people on the list who want to get into Macauley Lodge. I am sure that as soon as there is space available, and if this person is next in line, then he or she will have the opportunity.

Mr. Speaker: Perhaps such questions of an administrative nature could be kept to a minimum.

Mrs. Joe: I would like to know if the minister is aware of where the people, who are on the waiting list right now, are being housed, and how they are being cared for?

Mr. Speaker: Perhaps these are questions of such a nature that a written question would serve rather than an oral question. Oral questions should be of a very urgent and important nature.

Question re: Placer mining

Mr. McDonald: I have a question for the minister responsible for resource planning.

In the fall of this year the government announced its intention to offer its services as mediator in the placer dispute between the placer industry and federal officials. Has the government made any headway in this area and, if not, have they made continuing representations to the federal government in order to advertise their mediator services?

Hon. Mr. Pearson: Because this causes so many responsibilities in this government, and all of us are vitally interested in it, I think I could clarify the situation best by answering the question.

We indicated to the placer miners, after a number of meetings with them, that we would be prepared to be a facilitator of some sort of a get-together. We perceived that one of the major problems was a big gap between the administration of the federal government and the placer miners in respect to all of the laws that should apply to them. We thought that if we could get everyone sitting down together in one room talking about it, maybe a lot of the problems would disappear. We put a proposal to the federal government, which we hoped would get this process into place. They suggested that because it was their direct responsibility, maybe the minister should name someone to sit down and hear the placer miners problems from the placer miners. In the first instance, the minister suggested that he would like to have an inquiry consisting of a board of three people, to sit down with placer miners. They found that was not possible. He has now indicated a desire to launch a one-person inquiry. They have suggested one name which was not satisfactory to the placer mining fraternity.

I raised the issue with the minister as little as two weeks ago, that very soon they will be naming someone to conduct this inquiry. So what has happened as a result of the minister saying that he was going to do it, we have backed off, and said that we will cooperate in whatever way we can. We feel that if these discussions can take place, probably a lot of the problems can be resolved at that point.

Mr. McDonald: I understand the complexity of this problem and I thank the minister for his lengthy answer regarding the mediation services. I understand the government has had input into the delibera-

tions for new mining regulations, the technical end, in the person of a Mr. Ray Coon. Has the government made the placer industry's concerns known in these deliberations, and to what extent have these deliberations affected the final regulations?

Hon. Mr. Pearson: As far as I know, we have had absolutely no input, none whatever, into any of the new mining regulations at all. We receive these edicts from the federal government like any other interested party, and that is really what it amounts to.

Mr. McDonald: I understand that the final regulations, which have come out of recent deliberations in federal circles, plan to be stricter than those in the past. I am wondering to what extent the government would be prepared to go to alleviate the impact of these strict regulations on the industry?

Mr. Speaker: The question would appear to be almost hypothetical. However, I will permit an answer.

Hon. Mr. Pearson: That is one of the very reasons that we suggested that these consultations take place. It was the talk about the new proposed regulations that really were the straw that broke the camel's back, in respect to people sitting down and starting to talk. We feel very strongly that a lot of these so-called new regulations are being written in that far off, pie-in-the-sky City of Ottawa, where there is no reality at all, and that they are being written by people who have never been here. They do not know what a placer miner faces. It is a major problem, and we are hoping that before anything gets etched in stone, we are going to have input.

Mr. Speaker: We will now proceed to government bills and orders, under orders of the day.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS

Bill Number 13: Third Reading

Mr. Clerk: Third reading, Bill Number 13, standing in the name of the honourable Mr. Ashley.

Hon. Mr. Ashley: I move, seconded by the honourable Minister of Municipal and Community Affairs, that Bill Number 13, *An Act to Amend the Motor Vehicles Act*, be now read a third time.

Mr. Speaker: It has been moved by the honourable Minister of Justice, seconded by the honourable Minister of Municipal and Community Affairs, that Bill Number 13 be now read a third time.

Mr. Kimmerly: I wish to make a final speech on this topic in order to put certain things on the record. First of all, it is the position of the members on this side that this is a good bill and we are going to vote for it. It is a substantial improvement over the current law and it will, to some extent, alleviate the problem of drunk driving in Yukon.

After saying that, I regret that the bill could not have been a better bill. The substantial problem of second- and third-time impaired drivers has still not been adequately dealt with in our view, in that the suspensions for second- and third-time impaired drivers ought to be substantially longer.

The bill, as far as we are concerned, is a compromise. It is an acceptable compromise, although we wish the suspensions in fact were stiffer.

I would raise another point, very briefly, to make a general comment. In the course of the committee stage, I made a reference to the direction in Canadian provinces of establishing stiffer suspensions of drivers licences for impaired driving, and I commented that we in Yukon could be the leader in Canada in this regard. Because of our problem here, being in excess of three times the national average on a per capita basis, it is entirely appropriate that we be the leader. The Government Leader expressed the view that it was better that we be the tail, and I do not agree with that in a very fundamental sense. I regret that view.

Another principle which ought to be raised in the legislature, and perhaps I will present a motion on the topic, is the problem of drinking alcoholic beverages in a motor vehicle. That is legal in the Yukon outside of three municipal areas, and it ought not to be legal for the same general principle, and that problem also ought to be dealt with. After having said that, I will sit down. Thank you.

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

Motion agreed to

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

Hon. Mr. Ashley: I move, seconded by the hon. Minister of Municipal and Community Affairs, that Bill Number 13, *An Act to amend the Motor Vehicles Act*, be now passed and that the title be as on the order paper.

²⁰ **Mr. Speaker:** It has been moved by the honourable Minister of Justice, seconded by the honourable Minister of Municipal and Community Affairs, that Bill Number 13 do now pass and that the title be as on the order paper.

Title agreed to

Mr. Speaker: I will declare that the motion has carried and that Bill Number 13 has passed this House.

May I have your further pleasure?

Hon. Mr. Lang: I would move, seconded by the Leader of the Opposition, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Mr. Speaker: It has been moved by the honourable Minister of Municipal and Community Affairs, seconded by the honourable Leader of the Opposition, that Mr. Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

COMMITTEE OF THE WHOLE

Mr. Chairman: I now call Committee of the Whole to order. We will now have a short break.

Recess

²¹ **Mr. Chairman:** I call Committee of the Whole to order.

We will proceed with Bill Number 4, *Fifth Appropriation Act*. Is there any general debate on Clause 1?

On Clause 1

Hon. Mr. Pearson: As stated in the explanatory note, the purpose of the bill is to complete, formally, the appropriation for the 1981-82 fiscal year. The money that we are voting is indicated in the schedule at the back. What is transpiring is that we will be voting \$1,877,000 in additional funds and \$3,148,000 in funds that are not required, for a net decrease in expenditures of \$1,271,000.

Mr. Penikett: I have no intention of making a long speech at this point.

Applause

Mr. Penikett: I notice a sign of regret from my normally appreciative audience across the way.

There is a procedural question which I would like to get either the Chair or the Government Leader to indicate, when we get into the detail on this, whether we are going to go through the additional amounts first and then the subtractions later, or if we are going through in the normal departmental sequence. It does not really make much difference to me, but it will help us get whatever notes we have ready.

The year we are referring to, of course, has ended. I guess this will be the last of the money bills for this year. I just want to say for the record that I appreciate the information that has been provided in these supplementaries. They are more complete than they have been in the past, but there will be some other questions that we will have in the detail.

Hon. Mr. Pearson: I would respectfully suggest that the most straightforward way is department by department, and just work our way through it.

In respect to the information, it is a budget, and presenting this kind of estimates is sort of a living thing. I hope we can make them better every year. We do try to anticipate the areas where there will be questions and, hopefully, we can eliminate as many as possible through this process, but other questions, I am sure, my colleagues and I will be happy to answer to the very best of our ability.

²² **Mr. Chairman:** Excuse me, perhaps I can clear this up. It is my perception that we will go through this from the top of the page to the bottom of the page, in the order that is here on the paper.

Mr. Penikett: No, I rather gathered that we would not do that, but in fact that we would be going through the sequence of departments as indicated in the estimates book, and that it did not matter whether they

were additions or subtractions, that is how we would proceed.

Hon. Mr. Pearson: I would respectfully suggest that what you do with the bill is begin at Section 1. When we get to Section 2, then at that point in time, go through the blue book that was tabled with the bill, entitled "Estimates, Supplementary Number 2, 1981-82", and then we begin on page 4. The first item that we would be dealing with would be a reduction of \$36,000, when we get down to the detail.

Mr. Chairman: Is that agreed?

Some Members: Agreed.

Mr. Chairman: We shall now carry on.

On Clause 1

Clause 1 agreed to

Mr. Chairman: We shall now move on to the schedule.

Mr. Chairman: It may be easiest if I, or the responsible minister, said something, just generally, about each of the departments as we go along, and we might be able to clarify a few things in anticipation of questions.

On Legislative Assembly

Hon. Mr. Pearson: This is a \$36,000 reduction in the total vote for the establishment during the course of the year, and it is attributable in its entirety to the fact that we were late in starting the spring session. We had anticipated starting earlier, and had in fact budgeted money to start earlier. When we did not, these funds just were not spent by March 31st.

Mr. Penikett: It occurs to me that it may be useful, for the record, to indicate whether capital expenditures that might be made under this supplement would be indicated in this kind of supplementary. I do that in anticipation of questions further on, but also because, new members might not be aware of this. Members with the seniority of Mr. Lang would appreciate that capital works under this vote would be somewhat of an unusual item.

Hon. Mr. Pearson: Yes, when we get to the Department of Education — I notice with interest that they are not referred to as votes anymore in the estimates — then members will see that we are going to be dealing with two numbers: one, operation and maintenance, and, the other one, in fact, capital. Now, never the twain shall meet when we are working on estimates, except when they are both on the one page like this, and when it comes to cash flow, in the final analysis. We must not, nor can we, nor will the federal government allow us to, move money back and forth between capital and O & M. We have to be very careful about that. They are kept separate, to all intents and purposes.

Yukon Legislative Assembly in the amount of a recovery of \$36,000 agreed to

On Executive Council Office

Hon. Mr. Pearson: Here it is a situation of getting an additional \$29,000. Primarily the additional funds were required in the areas of travel by ministers, which was a bit more than had been anticipated, and, during the course of the year, we did not provide in this vote for the performance evaluation increases of the managerial people in the department. We had to provide that extra money. That was primarily it: increased travel by ministers and pay increases in respect to the performance evaluations.

Mr. Penikett: The Executive Council Office explanation note refers not to ministerial travel but to an increased use of professional and special services. I wonder if the Government Leader, in elaborating on his previous answer, might indicate who these professionals might have been and what they were doing, when and why?

Hon. Mr. Pearson: There is one item under professional and special services. Increased utilization of the Public Relations Contract advisor. That was when Mr. Massey was brought onto staff.

Mr. Penikett: Could I take it then that the explanation given, the Government Leader's reference to travel, is not perfectly accurate?

Hon. Mr. Pearson: No. The major increases were travel, performance evaluations and the public relations advisor. The three items were the major ones.

Mr. Penikett: I accepted the Government Leader's explanation. My only concern was that the text might have been incomplete in that respect.

Mr. Byblow: By virtue of what the Government Leader said is one of the reasons for the increased expenditure, how does performance evaluation create the additional expense?

Hon. Mr. Pearson: We have in this government a pay plan for managerial exclusions. It covers about 110 people in the government, and they are entitled to a performance evaluation and a pay increase that varies between two and four percent of their salary each year. Particularly in very small departments, where there is not much loose money around, unless that is budgeted for in the first instance, normally that will show up as an over-expenditure at the end of the year just because it is simply forgotten. If it is forgotten, it is forgotten for everybody in the department. This department happens to have a fair number of managerial exclusions.

Mr. Byblow: So, in essence, the increased expenditure can be related by terminology to something in the order of a bonus?

Hon. Mr. Pearson: No, it is not. I guess it could be called a bonus, but it is a performance evaluation that is given each year. It is not a bonus in that it is much smaller.

Mr. Penikett: I must admit I was satisfied with the explanation earlier on, but now that the Government Leader has elaborated, I am a bit confused. He referred to professional evaluations being done under this item. He referred to the fact there were 100 plus in this government, and I thought perhaps this was somehow a charge for the entire 100 in this vote. Then he said there were quite a number under this vote. Could he indicate approximately how many?

Hon. Mr. Pearson: Virtually everyone in the Executive Council office is a managerial exclusion. They are either a confidential or a managerial exclusion, in the Executive Council office.

Mr. Penikett: I understand the managerial exclusion. The Government Leader is referring to managerial exclusions and confidential exclusions. Those two categories would also include those people who are order-in-council appointees, as well as those people who might have come through Public Service Commission appointment.

Hon. Mr. Pearson: We do not have any sort of a routine performance evaluation upgrading for order-in-council appointments, probably because that is something we really have not had a chance to look at, yet. The pay plan that we have is one we went into about three years ago, after seeking advice from a consulting firm. It covered a number of things. Deputy ministers were given salary increases, confidential employees were given salary increases, a number of the fringe benefits were changed at the time. One of the fringe benefits that was included in that package was this performance evaluation scheme that allows us not only to give them their normal salary increases for the cost of living each year, but is a recognition of their performance. It is done on recommendation of the minister.

Mr. Penikett: I do not have any interest in holding up the vote, but I would be interested, just for the record, and so that I can understand for future reference, when we are dealing with the mains, how many order-in-council appointees are there, how many managerial exclusions and, how many confidential exclusions are there? The Government Leader may have that information off the top of his head. If he does not, I would like to see it later.

Hon. Mr. Pearson: In this department, on the 31st of March, there were, I would think, about 10 people. All of them would be one of the three kinds of employee. The order-in-council appointments, at that point in time, would have been four.

Mr. Penikett: I would be probably correct in guessing that there would be about three confidential exclusions, and that would leave about four managerial exclusions?

Hon. Mr. Pearson: Yes.

Executive Council Office in the amount of an over-expenditure of \$29,000 agreed to

On Education

Hon. Mrs. Firth: These funds required are mainly due to increased costs and use of heating fuel oil and electricity brought on by the unusually cold winter.

Mr. Byblow: That is an unusually high amount to not have budgeted for. I would be curious if there are any other expenditures included that would have accounted for the additional \$217,000?

Hon. Mrs. Firth: There is also an increase in transportation costs due to unanticipated vacancies in interim recruiting, higher costs in transportation for Polar Games than expected, and increases in school bus fuel charges. We also have an increased school enrolment that necessitated the increased use of clerical support.

²⁵ **Mr. Byblow:** I am going to ask this of the Government Leader,

with respect to the nature of the documentation of the figures, earlier we were talking of the separation of capital and O & M and now we move into a combination of the two for a final figure. Could the Government Leader explain that?

Hon. Mr. Pearson: Members are going to have to be careful. What is happening in this vote is that we are going to be voting an increase of \$217,000 in operation and maintenance costs and, at the same time, a decrease of \$326,000 in capital costs. They are two different items. There is a different reason, of course, for each of them. The minister, at this point, is dealing with the over-expenditures, or the \$217,000, first. I think we should make it clear that the capital costs are a different topic, and we should discuss them separately.

Mr. Byblow: I was not trying to mislead the discussions. I understand the separation and explanations for the increase in cost for the O & M side and voting back of the capital on the other side, with the net figure of essentially voting back money into that department, when you combine the two figures.

The Government Leader did not answer my question about why we are doing this as a combination in the vote now.

Hon. Mr. Pearson: No. These are supplementaries. It is the normal way. We have to deal with the supplementaries. Every year there is at least one supplementary to balance the books at the end of the year. Those books have to be balanced both for O & M and for capital.

There is no reason other than that it is necessary. The law says that we have to do this.

Mr. Byblow: I will ask the question that originally prompted the first set of questions. Does the government use the same pot of money from its capital and O & M in, say, its consolidated revenue fund, of cash flow?

Hon. Mr. Pearson: In respect to cash flow, it is the same pot of money, but for no other reason. That is why I said, and I have to be very clear on this, never the twain shall meet. They are two different funds, two different pots of money, and we must keep them separate. We must vote them, and we must deal with them, separately as well.

Mr. Penikett: I just want to serve the Government Leader notice that that is an area I do want to explore when we get to finance mains. I have discovered, in rereading Hansard, references, in fact, to movement of monies between those two items that I would like explained.

²⁷ **Mr. Chairman:** Is there any further debate on the estimates supplements on education for a reduction of \$109,000?

Hon. Mr. Pearson: With respect, I think what we should in fact do is, for record purposes, indicate the operation and maintenance part is a plus of \$217,000, and then the capital part is a reduction of \$326,000. The minister can give you the reason for that reduction as well.

Hon. Mrs. Firth: The reason for that reduction is that there were funds available due to the delayed completion of the new Whitehorse Junior Secondary School. It is a carry-over.

Mr. Byblow: I assume that those are just monies that were not used in the fiscal year to complete the Porter Creek School, and subsequently got completed this year, the Danny Lang Memorial School, or something?

Did the school come in on budget?

Hon. Mrs. Firth: I believe that it did.

Mr. Chairman: Now, is there any further debate on the estimate supplement on education for \$217,000?

Mr. Chairman: Are we agreed on the increase in O & M in the amount of \$217,000?

Some Members: Agreed.

Mr. Chairman: Are we agreed on the recovery of capital in the amount of \$326,000?

Some Members: Agreed.

Department of Education in the amount of a recovery of \$109,000 agreed to.

On Consumer and Corporate Affairs

Mr. Chairman: We will move on to Consumer and Corporate Affairs, which you will find on page number 11.

Is there any debate on Consumer and Corporate Affairs?

Mr. Kimmerly: I notice a reduction of \$56,000 due to a reduced

requirement for developing new legislation. Would the minister indicate if a particular item of legislation was contemplated and not proceeded with. Was it the *Labour Standards Ordinance*?

Hon. Mr. Ashley: In answer to the question, it is consultants' fees, and that is part of it. Consultants' fees are needed to help in all types of legislation that would be dealt with at the time.

Mr. Kimmerly: The question is, was there a piece of legislation, previously planned, that was not proceeded with. Is that the reason for the saving?

Hon. Mr. Ashley: The answer to the question is no.

Mr. Kimmerly: Are there any other funds amounting to a saving, as opposed to the consultants' fees, or are the consultants' fees the total amount of the \$56,000 saving?

Hon. Mr. Ashley: There is a number of things that come into effect. One of the major cost reduction items in this vote was a reduction in the conversion to metric scales. That was delayed.

Mr. McDonald: I have a number of questions just for my own clarification. I hope you will bear with me. I would just like to establish a proper frame of reference of this department for the future.

I am quite intrigued by the consultant services mentioned in the explanation. Could the minister tell me whether or not these consultant services constituted general consultants, in the way of establishing expertise in various areas, or whether they were the services provided by legal architects and that sort of consultant?

Hon. Mr. Ashley: We have money in the budget set aside for consultant services to various boards and various different things that we do in the department.

Mr. McDonald: Is the minister saying that this general consultants cutback is cutbacks in various areas or cutbacks in specific areas, or that specific pieces of legislation are being curtailed?

Hon. Mr. Pearson: He is asking the same question as his colleague did, exactly the same question. The minister has tried to indicate that we did not use consultants for the drafting of legislation as much as we anticipated that we were going to do. That was where the major saving was. The other major saving was in respect to the delay in the conversion factors for metric scales. The metric conversion was delayed and that saved some money, but it will have to be spent some time in the future.

Mr. McDonald: With all due respect, I am still trying to tie down in what areas these consultants were working and what areas the cutbacks were made. What specific pieces of legislation are we talking about?

Mr. Pearson: That is government business. We have a responsibility, as a government, to table legislation in this House. That is when the opposition finds out what the legislation is all about.

Consumer and Corporate Affairs in the amount of a recovery of \$56,000 agreed to

On Health and Human Resources

Hon. Mr. Tracey: There were a few over-expenditures here and there, but the biggest saving was in the Hospital Insurance Services. That is the reason why you see the \$240,000 reduction there. There were over-expenditures in some areas, such as the implementation of the management plan, as has been previously brought up by the Government Leader. There were some over-expenditures in Child Welfare Services, there was an increased case-load in Social Services which caused some over-expenditures, but the savings under the Yukon Hospital Insurance Services and the General Health Services over-balanced our over-expenditures and gave us a saving of \$240,000.

Mr. Kimmerly: I am surprised at the minister being so general. If the minister would go over his general comments and give us the numbers, specifically. The minister mentioned Social Services. Did he mean Social Assistance, and what was the increased expenditure in Social Assistance? I am also interested in the Child Welfare figure.

Hon. Mr. Tracey: There was \$224,000 over-expended in Social Assistance and there was \$22,000 in Child Welfare Services. The savings for General Health Services were about \$110,000 and, for Yukon Hospital Insurance Services, approximately \$350,000.

Mr. Kimmerly: I am interested now in the approximately \$350,000 saving for — I forget the phrase the minister used — is all of that reduced out-of-territory billings, or are there other items which

were the reason for the savings?

Hon. Mr. Tracey: Out-of-territory billings. It was from the provinces because of the three-month overrun.

Mr. Chairman: Is there any further debate on the \$240,000 cost reduction? Shall that carry?

Some Members: *Agreed*

Mr. Chairman: On the \$85,000 cost reduction. Is there any debate.

Hon. Mr. Tracey: This is exactly what it says on your estimates. It is a fund set aside for capital funds for purchase for Northern Health Services equipment in the nursing stations that were not expended. It saved us \$85,000, and we do not have any control over it.

Mr. Chairman: Shall the \$85,000 cost reduction carry?

Some Members: *Agreed*

Health and Human Resources in the amount of a recovery of \$327,000 agreed to

On Municipal and Community Affairs

Mr. Chairman: We will deal first with the \$132,000 expenditure.

Hon. Mr. Lang: There were some over-expenditures, primary in Protective Services, because there was an increased utilization of casuals and overtime in the Ambulance Services, coupled with the increases in fringe benefits. Also, there were repairs and maintenance required for the ambulance vehicles that had not been budgeted for. Further to that, there were some unanticipated costs associated with the Dawson City water and sewer system, and also we did some work we had not planned on, but had to proceed with, and that was stabilization of the river bank at Ross River. Further to that, we got hit as well for a greater use of electricity and heating fuel in view of the past winter, which hopefully no member will project is going to happen again this forthcoming year. That is largely the amount of money we are talking about, as far as the \$132,000 is concerned.

Mr. Penikett: Would Mr. Lang be prepared to indicate to the House that is the final amount they will be spending on the Dawson water and sewer system?

Hon. Mr. Lang: As long as there are politicians around, I am sure there will be a certain amount of money allocated to that very illustrious system.

Mr. Penikett: Is any of the money involved here on Mr. Lang's road to Porter Creek that we see work on prior to each election?

Hon. Mr. Lang: No, I think it is fairly safe to say that is a subject dear to my heart, and I am sure the member opposite, but that always does come within budget, or we at least attempt to do that. And it would not be on the operation and maintenance side, in any case.

Mr. Penikett: There would not have been, but there is now. The minister says that there will be nothing under the O & M. Since, in spite of the minister's efforts, there appears to be people using the road, and there are some that have phoned me to suggest that it is in better shape than the Alaska Highway for the purposes of getting downtown. I might ask him, just for the record, and he can answer me when we get to the mains, if he wants to wait and think about it, is it his intention to open that road, at least as a winter road?

Hon. Mr. Lang: I am surprised at the question from the Leader of the Opposition, since he, at one time, used to serve in the capacity as alderman for the City of Whitehorse. The responsibility for the maintenance of that road would be the City of Whitehorse. One of the things that has to be done is completion of what is termed "phase 2", prior to turning over to the city. The vocational school has completed all of the work that they set out to do. I think that they deserve a lot of credit for the work that they have done, and also for providing the good people of Porter Creek future access to their fair community. Along with that, I can see by the comments of the member opposite that he will have no problem voting the money for the project in the forthcoming year.

Mr. Penikett: The minister told me something that he may find surprising, but I already knew, that the city would become responsible once the road was turned over. Since it is not apparently complete, to the minister's satisfaction, and since it is clearly not open, therefore I assume that it has not been turned over, in which case the minister would still be responsible for maintaining it. Might he at least indicate to us what his hoped-for for a transfer date would be?

Hon. Mr. Lang: I just want to correct one thing the member

opposite has said, and I am kind of surprised that he would say it, responsibility of that road would require the City of Whitehorse to accept it. That is the key to the completion of that road, as far as our participation in it, is concerned. I would like to think that, perhaps, next year, it could be turned over satisfactorily to the City of Whitehorse for the purposes of year-round use by the travelling public. That remains to be seen and, of course, there remains to be seen how much cooperation we get from the other side in respect to the allocation of the necessary dollars to go ahead with the project.

Mr. Chairman: Thank you, Mr. Lang. I think that we are digressing here a little bit. I do not think that we meant to get on a debate about when the road would be open. I think we are discussing the money.

Mr. Penikett: On a point of order, I think that is a terrible pity, because I had a number of other questions I wanted to ask.

Mr. Kimmerly: The minister talked about the sewer and water expenditure in Dawson City. Would the minister give us the amount that that particular expenditure was over budget?

Hon. Mr. Lang: \$60,000.

Mr. Porter: While we are on the topic of \$132,000 in funds expended, I am wondering if the minister could inform me as to the expenditure of funds for the stabilization of the Ross River river bank. Exactly what happened in that case?

Hon. Mr. Lang: Since the member, perhaps, has not been there for a while, the problem is that the water comes up against the bank and has a tendency to wash away close to where the walking bridge is, just above that. It is a concern of the Department of Municipal Affairs and, for that matter, the Department of Highways. Last year we expended \$16,000 in that area. I am assuming it is for something similar to riprap — that type of an operation. I am sure we are going to have to do further work within the next couple of years, to ensure that there is no further washing away of that bank. You can rest assured, just like any other community, we will take care of Ross River.

Mr. Chairman: Is there any further debate on the expenditure of \$132,000 in Municipal and Community Affairs? Shall that carry?

Some Members: Agreed.

Mr. Chairman: Is there any debate on the capital cost reduction of \$1,350,000?

Hon. Mr. Lang: That is primarily carry-overs from the Community Assistance Program — various programs that were started. Also, there was a situation where we had allocated money for the Whitehorse swimming pool, which is getting off to a start here, I gather, within the next week or so. Also, it includes the Mayo Administration Building, Haines Junction sewage lagoon, a number of those major capital projects that were offset and carried over to the forthcoming year.

Mr. Porter: The monies that have been carried over from the previous year would then be allocated for expenditure on those capital projects for this coming year?

Hon. Mr. Lang: That is correct. You may start a project, as in the case of the Whitehorse Junior-Secondary High School, where a certain amount of dollars were voted in each year. What happens is that if it is not completed by March 31st of that year, it is carried over to the following year. In most cases, the project goes ahead and, in some cases, the project is started but it is in the middle of the government's financial year, so we show it in our supplementaries.

Mr. Porter: Have any projects been cancelled? Does this reflect any cancellation of any projects?

Hon. Mr. Lang: I would not say that it reflects any cancellation of programs. It would probably reflect the fact that we had put some dollars in and, for example, in the case of the Haines Junction sewage lagoon, there was some clearing done but the major work was not done.

If the member read the newspaper here earlier this spring, a number of capital projects had to be deferred because of the lack of money that had come forward from the Government of Canada, primarily deferrals and delays going through the federal bureaucracy, which primarily comes to its pinnacle when it hits the Treasury Board. These are the things that we are faced with. These are the things that we are faced with when we are budgeting. As we indicated last year, there was going to be a certain number of dollars firm, but there appeared to be some chance for further monies and, in that case, they did not materialize.

Mr. Porter: Would the number of commitments for the projects in the past be kept to the same level for this coming year? In other words, for the Mayo School and the Haines Junction sewage lagoon? You did commit, in the previous budget, a certain level of expenditures for the completion of those projects. Will that level of commitments remain consistent for this next budget?

Hon. Mr. Lang: I think it is safe to say that that is going to be decided by members on this side of the House. I am sure that the member will look with a great deal of interest when the main and capital budget is tabled in the House.

Mr. Chairman: Are we agreed on the capital recovery of \$1,350,000?

Some Members: Agreed.

Municipal and Community Affairs in the amount of a recovery of \$1,218,000 agreed to

On Tourism and Economic Development

Hon. Mr. Pearson: We are looking at an under-expenditure of \$40,000. Personnel vacancies amounted to about \$2,000; decreased travel due to commitments being cancelled or postponed — the cold weather was one of the reasons — and a small decrease in advertising which amounted to a saving of \$18,000; professional and special service funding that lapsed — studies were not completed — \$17,000, and just about \$3,000 in stationary and this type of thing that was not used. There was a total saving of \$40,000 in the Department of Tourism and Economic Development last year.

Mr. Byblow: I gather from the Government Leader's response that he is demonstrating the new concept of work sharing by government.

In talking about the various funding that was not used up in this portion of the estimate, could he indicate whether or not any specific economic research activity that was planned to be done in the course of last year as an economic indicator was not done?

Hon. Mr. Pearson: No. The \$2,000 saving in personnel vacancies was in the area of an energy economist. We just could not hire a person soon enough. As a result of the vacancy, we had a \$2,000 saving. Other than that, the department was totally staffed for the year. I believe that they virtually got everything done that they had originally set out to do.

Mr. Chairman: Are we agreed on the recovery of \$40,000?

Some Members: Agreed.

Mr. Chairman: The \$587,000 cost reduction.

Hon. Mr. Pearson: \$320,000 of the \$587,000 was in respect to funds unexpended under the Tourism Subsidiary Agreement, primarily because of the cold weather, jobs having to close down earlier than anticipated and we just did not get a chance to spend the money. The same thing happened in tourism attraction contributions. And there was a \$41,000 under-expenditure, primarily because of cold weather, in respect to Special ARDA agreements.

Mr. Byblow: As I understand the Tourism Subsidiary Agreement, it expired effectively March 31, 1982, and what has happened now is that we have \$500,000 of unexpended money under that agreement. I need two clarifications. Is the \$587,000 a territorial portion, and was the \$587,000 continued through this subsequent summer for completion of projects?

Hon. Mr. Pearson: That money is now all spent. When we are dealing with it here, yes, it has become territorial money, but, in fact, all capital money is federal money. That is why we are faced with the problem of having to make sure we keep things separate. We derive all of our capital funds through grants from Ottawa.

Mr. Chairman: Is there any further debate on the \$587,000 cost reduction? Shall that clear?

Some Members: Agreed.

Tourism and Economic Development in the amount of a recovery of \$627,000 agreed to

On Justice

Mr. Chairman: We will move onto Justice on Page 19. On the over-expenditure of \$411,000, is there any debate?

Mrs. Joe: I would like to have a breakdown of that \$411,000.

Hon. Mr. Ashley: Sure, I will give a breakdown of that amount. Police Services Agreement, the average on that is \$123,000; Native

Special Constable, another \$35,000; Legal Aid and solicitors' fees, \$173,000; and miscellaneous, mainly due to the Correctional Institute with very high daily peaking counts, another \$80,000.

Mrs. Joe: I would like to know if we can get a breakdown of the Solicitor fees for the court cases?

Hon. Mr. Ashley: I cannot go into case by case right now. The cost was mainly Legal Aid, and the costs range from a low of \$2,000 per case to a high of \$41,000 a case.

Mr. Chairman: Is there any further debate on the \$411,000? Shall the \$411,000 carry?

Some Members: Agreed.

Mr. Chairman: On the \$264,000 reduction, shall that clear?

Mrs. Joe: Was any of that money used for the renovations for the jail? Was any of that carried over?

Hon. Mr. Ashley: That was carried over into this year, so the 93 was actually used, partially, on that, but the remainder was carried over into this year.

Mr. Chairman: Is there any further debate on the \$264,000 cash reduction? Shall that clear?

Some Members: Agreed.

Justice in the amount of an over-expenditure of \$147,000 agreed to

On Highways and Public Works

Mr. Chairman: We will now move to Highways and Public Works on Page 21.

Hon. Mr. Lang: I do not think we have to discuss this for too long. It is primarily because of the abnormally cold winter we had. I think the members opposite were raising questions in the House in respect to the conditions of roads — in fact that comes from both sides of floor of the House — in view of the very real icing conditions that we faced. If one looks back, it was raining the day before Christmas and it was something like 45 below two days later; therefore, it put increased pressure on the department in respect to maintenance. Also, we had increased costs with building maintenance.

Mr. McDonald: I would like to ask if the Minister can briefly tell us whether or not the increased costs were associated primarily or solely with cold weather wear and tear?

Hon. Mr. Lang: Could you please repeat the question?

Mr. McDonald: I am simply asking a very brief question for starters. I am asking whether or not the increased costs are associated solely or primarily or entirely with cold weather wear and tear?

Hon. Mr. Lang: That is a pretty general question to answer. I do not have a list of all the equipment and just what the wear and tear was on any of the equipment. There were a certain number of call-outs. I should point out that there was a certain amount of monies expended in the area of airfields as well. For example, we established the position of an air manager to work with the private sector. That is indicated in there as well.

Mr. Porter: Has the minister budgeted any further funds for another cold winter this year? If he has been out fishing lately and caught any whitefish, he will notice that there is hair underneath the belly of the whitefish and that is a sure sign of a cold winter coming up.

Mr. McDonald: I am glad that the minister answered that question in that manner because that was exactly the kind of information I was intending to get: whether or not there were other costs associated with this savings.

Can the minister tell us whether or not the government has identified higher or lower costs associated with various types of surfacing in winter months, that is, bituminous surfacing versus various types of pavement versus a standard gravel road?

Hon. Mr. Lang: As far as maintenance is concerned, it would be reflected in the summertime. It is not the requirement for the general application of calcium chloride, which we had on most of our highways and are slowly phasing out. It would seem to me, as far as winter maintenance is concerned, we still have the same number of roads to clear. We may be looking at a major change as far as our equipment is concerned and as far as snow removal is concerned. In some cases we should be looking more at the faster type of units for snow removal as opposed to utilization of the graders. These are administrative questions that we are dealing with at the departmental level at this time.

Mr. Kimmerly: This is, of course, the Supplementary No. 2 and I am looking at the Supplementary No. 1 in the same year, and there was

a decrease of almost \$800,000 and an explanation about minimal snowfall in the Teslin area and changed weather conditions. I am intrigued by the difference between the No. 1 Supplementary and the No. 2 Supplementary and my specific question is: what portion of the \$566,000 is specifically for road maintenance, and, if the minister is aware, what portion for the Mayo road or the road to Carmacks, Pelly, Stewart and Dawson?

Hon. Mr. Lang: I do not have the distinct breakdown here. I should point out that there was roughly \$390,000 of this applied to the over-expenditure in respect to various buildings throughout the territory, and the heat and light that went along with it, in view of the winter. I should point out that when the supplementaries were discussed for 1981/82, the member opposite will remember — perhaps he was in Hawaii — that they were tabled in such a manner that they only reflected up until December, and the real problems that we encountered were in January, February and March.

Mr. Chairman: Is there any further debate on the \$566,000 expenditure? Are we agreed?

Some Members: Agreed.

Mr. Chairman: On the \$538,000 reduction, is there any debate?

Hon. Mr. Lang: This is primarily because of, as I indicated earlier in the Municipal Affairs budget, carry-overs of various projects that were done. For example, the Klondike Highway project along the highway. There are a number of projects that were carried over, and subsequently, we have this reduction.

Mr. McDonald: I notice that the minister skipped over the identity of the projects that are due to be delayed, and I wonder if he had those available in front of him now, and if so, could he make that available.

Hon. Mr. Lang: I could run through them very quickly. We are under in sundry equipment by \$10,000. In garage tools and equipment, we were \$5,000 over. In miscellaneous and minor projects we were \$2,000 over. In engineering, public works and highways, we were \$30,000 over. In the collection of field data and preparation of construction drawings and radio systems, we were \$10,000 under. In the South Canol Road drainage development, we were \$42,000 under. In exhaust systems, we were \$11,000 under. In the Klondike Highway and various projects, we were \$645,000 over. That was primarily a carry-over of contracts from 1980-81. In the Mount Freegold upgrading road, we were \$42,000 under what had been allocated.

In the Engineering Services Agreement, we were over by \$1,805,000, and this represents the funding provided by the Department of Indian Affairs and Northern Development under the agreement for projects on the Klondike Highway, Carcross-Skagway section, and on the Dempster Highway, which also incidentally, for members' information, is 106.5 percent recoverable.

In maintenance of camps and buildings, we were over by \$166,000, and that was largely attributable to carry-overs from the previous years on staff quarters for the Klondike camp. We came to a settlement as far as the Robert Campbell bridge was concerned, which was \$114,000. In the Old Crow Airport clearing and grubbing, we were \$34,000 under. In weigh scales, there was some money allocated in that area, and in guard-rails and culverts, there was 107,000 over, and this covered the purchase of guard-rails and culverts for the very famous road, the Faro Access Road, and the South Canol Road. The purchase was made in advance of the projects going ahead.

Mr. Chairman: Is there any further debate on the cost reduction of \$583,000? Shall it clear?

Some Members: Agreed.

Highways and Public Works in the amount of a recovery of \$17,000 agreed to

On Public Service Commission

Hon. Mr. Pearson: The variance is quite small and it is attributable to staff vacancies, primarily in respect to the late hiring of the training coordinator.

Mr. Penikett: That seems like a satisfactory explanation for the \$3,000.

Public Service Commission in the amount of a recovery of \$3,000 agreed to

On Intergovernmental Relations

Hon. Mr. Pearson: The over-expenditure is primarily due to travel. We had some under-expenditures in respect to vacancies, over-expenditures in respect to mid-year reclassifications of the senior management salary package, and increased travel costs that we just did not foresee. The increased travel amounted to about \$13,000 of over-expenditure.

Intergovernmental Relations in the amount of an over-expenditure of \$18,000 agreed to

On Finance

Hon. Mr. Pearson: The primary requirement is associated with the return of lots that were sold. It is a figure of \$371,000, but of that, \$204,000 was the return of lots that had originally been sold by Municipal Affairs. The amount of \$52,000 is an adjustment in what amounts to our share of the cost of compensation for victims of crime that had been resolved by the Department of Justice.

Mr. Penikett: Could the Government Leader, for my sake and the benefit of other members who might be new to this House, briefly go through the financial mechanics of the money concerning lots that are returned? The government has previously accepted the purchasers' money which has entered the general revenue of the territory; perhaps the Government Leader could indicate what is happening when those people may subsequently turn back their lots?

Hon. Mr. Pearson: I could do it verbally, but I wonder if it would not be worthwhile if I asked the Department of Finance to put together a sessional paper for the legislature that would outline this whole procedure. All members could have something that they could hang on to in respect to this. I think it would be an excellent idea if each member did have that.

Mr. Penikett: That would be perfectly acceptable from my point of view. In fact, I think it would be a good idea. Before they went to all that work, there might be some expression of opinion from other members as to whether they would like to have that.

Mr. Chairman: Would all those who would like a paper, please raise their hand.

Hon. Mr. Pearson: I will do that. I am sure that the department would be happy to put together a paper. I think Municipal Affairs would be involved with it as well. It is a bit of a convoluted experience and we end up, in this department each year, having to pick up all of the extraordinary types of expenditures. For instance, one of the items this year was a Workers' Compensation Board settlement of \$108,000 that we had to pay out because of our agreement with the Workers' Compensation Board in the territory with respect to our own employees.

Department of Finance in the amount of an over-expenditure of \$371,000 agreed to

Mr. Chairman: We will now adjourn for a short break and we will return in about 10 minutes.

Recess

Mr. Chairman: Committee of the Whole will come to order. We will go to page 29, Heritage and Cultural Resources.

On Heritage and Cultural Resources

Mr. Chairman: We will discuss the reduction of \$11,000 in this department.

Hon. Mrs. Firth: That reduction is due to funds available because of the vacancy in the Heritage Director position.

Mr. Chairman: Shall the \$11,000 cost reduction carry?

Some Members: Agreed.

Mr. Chairman: Carried.

Mr. Chairman: We will now consider the \$217,000 capital cost reduction.

Hon. Mrs. Firth: That is due to the funds made available because of the cancellation and deferral of several planned capital equipment purchases.

Mrs. Joe: I would just like a breakdown on those cancelled projects.

Hon. Mrs. Firth: The main one was the cancellation of the computer for the library operation, in the amount of \$210,000.

Mr. Chairman: Is there any further debate on the \$217,000 capital cost reduction? Shall it carry?

Some Members: Agreed.

Heritage and Cultural Resources in the amount of a recovery of \$228,000 agreed to

On Renewable Resources

Mr. Chairman: There is a \$3,000 cost reduction. Shall it carry?

Some Members: Agreed.

Mr. Chairman: There is a \$125,000 capital cost reduction. Shall it carry?

Mr. Porter: On that particular section there, when I initially read that I thought it read "Dawson City Conservative facility" and I was wondering if that referred to the rejected entry in the Outhouse Race this summer in Dawson.

On a more serious note, I was wondering if any member of the government could tell us whether or not the facility that is talked about in this area was actually built this year or is in the process of being constructed?

Hon. Mr. Tracey: Yes, that facility is being built this year. It is being built with the help of the Resource Corps, which was through the Department of Education and is now over in the Department of Renewable Resources. Most of the funding is coming through the Resource Corps.

Mr. Chairman: Are we agreed on the capital recover of \$125,000?

Some Members: Agreed.

Department of Renewable Resources in the amount of a recovery of \$128,000 agreed to

On Government Services

Mr. Chairman: We will move on to Government Services in the amount of \$347,000.

Hon. Mr. Tracey: As the explanation says, the \$347,000 was due to the increases in utility costs which amounted to \$126,000. The Handybus Service cost us an extra \$43,000. These are the two major sums. Some was due to casual employees, increased advertising for public tenders and other general, small items.

Mr. Kimmerly: Under casual employees, what was the number, and what were the casual employees for, in a general sense?

Hon. Mr. Tracey: The amount was \$18,000, and they were due to staff illnesses. We had to fill the positions with casuals.

Mr. Byblow: Just on the subject of the Handybus Service, where does this government's commitment come in to that, and in what amount again?

Hon. Mr. Tracey: The Department of Government Services pays for the handybus service that we supply in the City of Whitehorse. We pay for it totally and it cost us an extra \$43,000, because we started it during the year, so it was not in our budget. The approximate cost of that handybus program, on a yearly basis, is going to run us in excess of \$50,000 because we have extended it to five days a week.

Mr. Byblow: Where is the new Commissioner's office?

Hon. Mr. Pearson: The Commissioner's office is in rented accommodation, along with the tourism department and some of the offices for library services, that we have in the medical building just down the street that is owned by Dr. Albertini. The Family Practices Unit, I believe, is what they call the medical building.

Mr. Byblow: My question is seeking an opinion from the minister. Is not the increase in utility and other costs an excessive amount?

Hon. Mr. Tracey: I am surprised at the member asking me a question like that, knowing — at least I think he would know — how much his utility bills have increased. Yes, there has been a significant increase in utilities. That is not the Commissioner's Office that is in there, if that is the question you are asking.

Mr. Chairman: Is there any further debate? Shall the \$347,000 carry?

Some Members: Agreed.

Mr. Chairman: \$29,000?

Mr. Kimmerly: Were the improvements... which building is it?

Hon. Mr. Tracey: It is not just one building. This includes the Commissioner's Office. It also includes furniture and office equipment, and renovations to the Queen's Printer, we have moved the Queen's Printer out of here down to the Marwell area so that we could utilize the expensive office space here rather than have the Queen's Printer in there.

There are savings because we did not purchase a word processor and some computer equipment. But those two, balancing off, the increased costs in renovations and movement of some of the departments, have run us into a deficit position of \$29,000.

Mr. Chairman: Is there any further debate on the \$29,000 expenditure? Shall it carry?

Some Members: Agreed.

Mr. Chairman: Shall the sub-total \$376,000 expenditure carry?

Some Members: Agreed.

Department of Government Services in the amount of an over-expenditure of \$376,000 agreed to

On Yukon Housing Corporation

Mr. Chairman: We will move on to the Yukon Housing Corporation on page number 35.

There is an expenditure of \$199,000. Is there any debate?

Hon. Mr. Lang: In respect to this particular item, the reason is that we had a house burn down. We sold a number of housing units and we also have the fact of depreciation figures coming back from the auditors, as well as CMHC.

Mr. Kimmerly: What was the fire loss, and where?

Hon. Mr. Lang: The fire loss, I believe, was in Swift River.

Mr. Chairman: Is there any further debate on the \$199,000 expenditure? Shall it carry?

Some Members: Agreed.

Mr. Chairman: There is a \$65,000 cost reduction.

Hon. Mr. Lang: I think the explanation is fairly straightforward. It has to do with personal sales and investment in housing projects. Basically that is with CMHC on interest rates, with an increase in interest rates coming in. We had an audit adjustment to our O & M budget and also the financing from other sources within the government.

Mr. Kimmerly: What are the financing sources within and outside of the territorial government?

Hon. Mr. Lang: It has to do with the amount of money that we get for the staff housing, and that type of thing, as far as charging people rent. I do not have the information at my fingertips.

Mr. Chairman: Shall the \$65,000 cost reduction carry?

Some Members: Agreed.

Yukon Housing Corporation in the amount of an over-expenditure of \$134,000 agreed to

On Yukon Liquor Corporation

Mr. Chairman: We will move onto the Yukon Liquor Corporation, page 37. There is a cost reduction of \$399,000. Is there any debate?

Hon. Mr. Lang: I just want to point out that it is due to the completion of the Faro liquor store, which did come to a successful conclusion with the full support of the municipality. I cannot say as much for the MLA.

Yukon Liquor Corporation in the amount of a recovery of \$399,000 agreed to

On Loan Capital

Mr. Chairman: We will move onto the Loan Capital on page 51. On the expenditures to date, \$5,000,000; Supplementary No. 2, \$750,000; the revised vote \$5,750,000.

Hon. Mr. Pearson: What is happening here is our loan capital expenditures and recoveries are simply being increased by \$750,000 to the total amount required for the year of \$5,750,000.

« It is straight in and out money, it does not do anything to our financial situation at all.

Mr. Chairman: Shall the expenditures clear?

Some Members: Agreed.

Mr. Chairman: Cleared. Shall the recoveries clear?

Some Members: Agreed.

Loan Capital in the amount of an over-expenditure of \$750,000 agreed to

Loan Amortization

Hon. Mr. Pearson: By the same token, we have an additional \$52,000 of interest for the year that we have to vote.

Mr. Penikett: For the record, at what rate was that interest?

Hon. Mr. Pearson: The loans, if my memory serves me correct,

are listed in the new budget, and interest rates are payable, in respect of those loans, based on whatever the interest rate is at the time the loan was set. So, we have loans from as low as about four or five percent to as high as possibly 14 or 15 percent now. I am sorry, I could not tell you what the current melded rate might be, but this money is required for loans that came due during the course of the year.

Loan Amortization in the amount of an over-expenditure of \$52,000 agreed to

Schedule A 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 you report Bill Number 4, *Fourth Appropriation Act, 1981-82.*

Motion agreed to

Bill No. 3

Mr. Chairman: We will now move on to Bill Number 3, *Second Appropriation Act, 1982-83.*

Hon. Mr. Pearson: I seem to have difficulty saying something further, after the budget speech, about the budget. We have presented it. We are continuing our program which we outlined a couple of years ago. We are hoping that we are being able to make the estimates clearer and include more detail in this each time we do this. I hope that members opposite recognize the effort, again, that has gone into this budget to try and give them the kind of detail that we think they should have or need in order to make their determinations.

The budget generally is the budget of the spring, with some \$11,000,000 less in revenue and, as a consequence, considerably drastic cuts in expenditures in those departments, where we thought we could make those expenditures without unduly curtailing services that we feel have to be delivered to the public of the territory.

Mr. Penikett: I do not think that I am going to give a long speech at this point.

I do want to say a couple things, though — perhaps since I am such a good-hearted fellow — just by way of giving notice to the Government Leader of some issues that we may want to explore. The Government Leader, a minute ago, talked about the cuts that have been necessitated by the decline in revenue. As we go through the departmental estimates, we will obviously be seeking a rationale for the particular cuts — why some things were cut rather than others. I want to pose that question now in a general way. In looking at the relative percentages awarded to each department, in the budgets going back a number of years, it is clear that the cuts seemed to have been generally across the board rather than what we would call selective, at least as far as the departments are concerned.

« We will, I think, want to ask the Minister of Finance about that, especially as it relates to the new economic urgencies, the job creation and job training and those kinds of things, as to seeing how well the departmental expenditures will serve those ends.

As the Government Leader has said, and I think colleagues on this side of the House have observed as well, the cash position is poor, as I understand it. From the Government Leader's remarks the other day, we are looking at maybe having \$2,500,000 at the end of the year. The problem I still see is one that I began to, in a very general way, address today during question period, and that is the one of the forecasted recovery by the end of this budget year. To state the obvious, if that forecast is imprecise or if that recovery does not occur, I suspect further adjustments will be necessitated in the coldest part of this winter.

The spending increases, such as they are, over the previous year also, as I said, seem to be generally consistent, there seems to have been some standard or some measure given. If it was not given, there are some very happy accidents in terms of the symmetry here because there is, I think, as a percentage of the total budget, very few significant changes, with one exception and that is the Executive Council Office.

We, again, will want to pursue with the Government Leader as we were trying to this spring but we never did get to the Finance Depart-

ment, the question of transfers from Canada and back to Canada, because that is a subject that continues to fascinate me. You know my interest in constitutional matters, so it should not surprise anyone that I am interested in the financial relationship with Big Brother.

The revenue picture is something that I want to pursue, as well. It is part of the question about the recovery projections and, having had a chance to look at the documents provided by government officials on the economic model update, I will be curious as to what use the Government Leader is putting that instrument in his new dual capacities.

I mentioned the Executive Council Office. My friend for Faro has done some arithmetic and calculates that even accounting for the transfer of the Public Affairs Bureau to that office, there seems to be a five-person year increase into these estimates and that is something we want to ask the Government Leader about.

The Established Program Funding figure was subject to some considerable discussion this spring. I think the Government Leader may have felt that some of the questions from this side of the House were uninformed. We may have had more information than he had, but we had precious little. I should tell the Government Leader now, to be perfectly frank because we believe in freedom of information, that our information was gleaned from one phone call and I do not think we were speaking to a very senior official. I think that will be subject to further questions.

⁴⁷ I am not clear yet, and I will want to ask the Government Leader about this as we get into the detail, about the status of the various requests for funds we have made to the federal government, some predating the recovery package this summer or early fall and some that are outlined here and the relationship between some of those amounts. All of us should be properly concerned. No matter how just our application for those funds is now, given the financial state of the federal government, I suspect their willingness to be forthcoming or generous may diminish as the months pass.

The working capital position of the government was something I tried to ask some questions about again this spring. Having reread the debates recently, it is fascinating, the Government Leader kept telling me to wait until we get to the Finance Estimates and he will bring all the answers. We never did get there. I do not know whether the anticipation is going to have been worth it, but I certainly hope the Government Leader will have his officials look again at the questions I asked this spring, because I still will be interested in the answers. I think, as general questions, I would want to ask them again. We will obviously want to ask the "what if" questions, not entirely hypothetically, but the financial implications of various things happening or not happening in the territorial economy this winter. We had a discussion this spring about some of the personnel policies or how the various policies of the government might affect the payroll of the territory. I think many of those questions will be asked by my colleagues on this side of the House as we go through the departmental estimates.

I want to, for the record, express a note of appreciation about the lockup, as it is popularly known. I am sure this is very useful for the press. In fact I am amazed at the speed with which the press can respond. I think I saw the Throne Speech story in the *Whitehorse Star* within five minutes of it being given in this House, which I thought was incredibly efficient reporting, even from a newspaper that is not universally admired in this House. The budget lockup is a useful instrument for all of us. We have had someone in the lockup for the last two years, someone which is very useful for us and probably enables us to do a slightly better job in this House.

⁴⁸ The Government Leader, when I was beginning my remarks, shook his head when I was suggesting there might have been across-the-board cuts in the departmental estimates. Perhaps I could, while we are still in general debate, before we get to each department, ask him about that process. How did we end up making the \$11,000,000 reductions? Was it the customary thing, in many large organizations, where departments would be told to cut 10, 12 or 20 percent, or whatever it was according to some target, or is there some other mechanism used? Were they told to cut capital intensive activities, or try and redirect the money to labour intensive activities? What were the kind of policy directions given to the departments? Could the Government Leader make a general statement on that? I think it would facilitate our entry into the particulars of the estimates.

Hon. Mr. Pearson: In respect to the cuts that were made, we determined that there was going to be a drastic reduction in our revenues. We were just not going to have the money to spend. What we did first was look at the capital program because, although we cannot move capital into O & M, when it comes down to the final analysis, capital becomes money that we spend, and that becomes a concern at the end of the fiscal year because of our cash-flow problem.

We looked at capital expenditures first and, in fact, slowed down on jobs, particularly jobs that were not labour intensive, that we thought had to be redesigned if we wanted to make them labour intensive. We then went to the departments and said to them that we were going to have to cut further in the O & M side of the budget and we asked for their cooperation. What we initially said to them was, everybody try for a 13 percent cut, something like that.

When we did that, we knew full well that there were departments in this government that could not achieve that and carry on providing the same services, the same programs, that they had been doing in the past. We asked each department to try. They came in with estimates. Some of them came to us and said "impossible, we cannot do it". Others said, we can cut that much and we can even cut more. From that point on, we determined exactly what our priorities were going to be.

There are no across-the-board cuts. The reason I was shaking my head is because there are increases in some of the departments. I am talking about the program departments. The five man-years in the Executive Council Office is a subject which we can discuss *ad infinitum* when we get to it in the estimates, if that is what is the members opposite choose to do. The major increase is in the Department of Health and Human Resources, and primarily in respect to social assistance. We knew that there was absolutely no way that we could cut it, but we also knew that we were going to have to increase it, and increase it dramatically.

We have done that. We have also decided that what we wanted to do was try to get some territorial money out of this budget that we could go to the federal government with and say, "Look, we have cut back our programs, we have cut back our spending, to the extent that we can now spend \$1,000,000" — we were hopeful of getting \$2,000,000 originally — on job creation programs over the course of the winter. Given that we are doing that — that is seed money and we need a lot more, we could probably use \$13,000,000 more — how much will you give us?"

Nothing would do my heart more good than to be able to stand here and tell the members opposite, and in fact, tell everybody in this House and everyone in the territory, exactly what we might get as a result of all of this from the federal government. We do not know yet. We have no answers yet.

I anticipate that we should be hearing something fairly quickly because, along with all of our requests in respect to these programs, we have tried to emphasize that if we do not get it fairly soon it will be too late for this winter. We will not be able to get projects started, and people are going to end up being on unemployment insurance, social assistance, and whatever, until next spring, no matter what happens. Part of the problem, of course, is if they are not on unemployment insurance and social assistance here, they are going to be on unemployment insurance and social assistance outside.

So, that was really the thrust of putting together this budget. It has required going back to some of the departments a number of times. It has required some serious, serious soul-searching on the part of some of the departments to really make sure that they were not spending any more money than they actually had to this year, so that we could make money available for things like the job creation program, and make money available for things like social assistance and so on.

I have got to say, too, that we received tremendous cooperation from the Public Service. We also received tremendous cooperation from the unions involved, in that when our financial situation was really made known to them, I do not think there is any doubt about it, it became a major factor in decisions that were made at the negotiating table by the unions. I was very proud of the unions when they took what I thought to be the very responsible position that we were being honest and we were being as fair as we possibly could with them and that when we said that this was all that we could afford, they were convinced that we really did mean it, that we were not saying it because we wanted to, we were not saying it because somebody else told us to say it, but we were

saying it because it was a fact and that the whole territory was going to be involved in this recession, and in this slowdown. I thought that the unions acted very, very responsibly.

⁵⁰ We went to the nine-day fortnight as another means of cutting back. That certainly was an overall cutback virtually to every department of the government. It saved a considerable amount of money. We estimate about \$2,000,000, between August 19, when we started, and March 31, the end of the fiscal year.

We could not have done that without the complete cooperation, not only of the unions, but also of the people who are not members of the union: the people in management, all of the exclusions. Everyone recognized the problem that we had, the problem that we were in, and everyone was prepared to give whatever had to be given in order to make sure that we saw ourselves through the end of the year.

Our cash position, anticipated at \$500,000, at the end of the year is completely unacceptable, however, it is a fact. It is one that I am bound and determined that we are going to have to live by. I want to re-emphasize once more, because the Leader of the Opposition alluded to it in his statement, that this budget has been put together, and is predicated, on the worst possible scenario. That means that we do not anticipate that any one of the three major mines in the territory to be operating after December 22 of this year. We do not anticipate any one of them being back to work prior to the end of the fiscal year, and we anticipate a very heavy social assistance case-load. It is built on the predication that we are not going to get any assistance from the federal government at this point in time. In other words, if there is going to be any topping-up of unemployment insurance payments in the territory, we are going to have to do out of the money that we have. If there are going to be any make-work projects, we are going to have to create those out of the money that we have. The budget does not provide for any softening of any of that kind of payments at all, in anticipation of getting money from Ottawa. If we do get money from Ottawa, and those costs can be reduced directly then, of course, I respectfully submit, we have to try and get every penny which we possibly can back into our working capital, so that we end the fiscal year, hopefully, in a somewhat better financial situation than having a cash flow of \$500,000.

⁵¹ **Mr. Penikett:** I would just like to explore a little bit further a couple of points made by Mr. Pearson in his reply.

The first thing I would like to ask about is something which, I must tell him frankly, concerned me greatly when I read about it in the newspaper. It was in, I think, that newspaper that he does not read. It was a quote attributed to the Treasurer of the Government of Yukon, and, in fact, was the first indication we had had of the statement he just made about using 1983-84 capital in 1982-83 operations. Perhaps if I could express my concern, I might ask the Government Leader if he could elaborate on his thinking a little bit.

I would understand, or have understood, following fairly furious discussions this spring on the subject, that as a rule, the majority of the job creation expenditures of this government will be found in the capital budget. In other words, as a general rule of thumb, in the main, our ability to create jobs or to generate employment in the territory, is a product of capital budget. And, because I am not absolutely convinced that recovery is around the corner — I certainly hope it is, but I am not absolutely convinced — I must say I was concerned at the notion that we would be subtracting from our capacity to create jobs in this spring, next year, and, in order to in fact do the same thing this winter. Not that creating jobs is not a thoroughly worthwhile objective, but I had some fear that we might, as a consequence as far as jobs are concerned, be robbing Peter to pay Paul. In other words, getting ourselves a few jobs this winter, but costing ourselves next year. It is conceivable, I think most people would admit, that we might have the need for the same kind of expenditures in the next fiscal year.

I do not want to sound like I am being harsh in any critical sense on this point, as I understand the dilemma. I do want to ask the Government Leader if he could elaborate a little bit more on his thinking on this point, because, I must say, I was concerned when I first read the Treasurer's remarks that they probably would be doing that.

Hon. Mr. Pearson: I think that is an excellent question and one that I would be happy to elaborate on. Now, the concern about saving operation and maintenance money, and putting it into capital works for job creation — I have said twice today, I believe, that we have to keep

capital and operation and maintenance separate, and never the twain shall meet. But in point of fact, if we, as a government, or we, as a legislature, decide that we want to do it, the federal government has absolutely no objection to us using operation and maintenance money, because it is literally our money on capital projects, because capital projects are their projects. They are federal projects.

The way our funding is set up, the federal government has responsibility to provide us with all the capital money we need. If we want to add to that, they have no objection to us doing that, but the one strong, firm, hard, irrevocable rule is that we cannot move capital into O & M, because O & M is derived by territorially-raised funds and federally-raised funds. Make no mistake about it: capital money at this point in time is totally, one hundred percent federal money. They will not allow us to transfer from capital to O & M.

⁵² We can, if we so desire, donate or allocate, O & M money towards a capital project if that is what we choose to do.

That is what we would be doing with a fair portion of this \$1,000,000 that we are talking about spending over the course of the winter on job creation projects. Virtually all of them will end up being capital projects of one kind, shape, description or another.

We suggested to the federal government that they could accelerate our capital program by moving some of it ahead some five or six months and giving us the capital money now that they are going to be giving us in April in any event, and we have given them a list of projects that we think that this money could be spent on. We are at a point in our overall capital program that you only arrive at about once every four or five years. That is, at the end of this construction season, with the completion of the Porter Creek Junior High School, we only have one major carry-over job this winter and that, of course, is the Pelly school. All of the other construction contracts have been virtually finished off this year.

Normally a large percentage of our capital budget that we vote each year is carried over to the next year because the work cannot get done in that time. What happens, frankly, is that we vote more money than we can possibly spend in a year. That is partly due to the size of the projects that we are dealing with. It is just physically impossible for us to build them all in one year.

The rules of the game say that we have to vote all the money initially. We have to go to Treasury Board for all the money, because they want to know what the final cost is going to be. We have these carry-overs each year. In the spring we are then faced with determining how we are going to spend our capital money for that year, as well as all of the carry-overs. There have been years when half of our capital program for the summer has been carry-overs of the year before.

On April 1st of this year we are going to have one job as a carry-over. It is a very unique situation and one that lends itself perfectly to the business of just moving ahead this four or five months and, in fact, creating carry-over jobs. Giving us the money now, because we will be voting it during the course of this session. We will be tabling our capital budget for next year. Under normal circumstances we vote that money in the fall knowing that we cannot get it until next April 1st.

⁵³ I said to the federal government, "If you will, in fact, give us some of that money, up to \$2,000,000 now, we will be able to spend it over the course of this winter. It will, number one, be beneficial to the territory — they are all capital jobs that we are going to have to do, in any event — it is going to cost the federal government what they would make, I guess, in interest if they had this money on deposit for that time". It is a fairly minimal cost, and all we are doing is accelerating.

The workforce in the territory is at that point in time now where we could absorb that and, without any problem at all, of course, carry on next summer because, as will become evident when the capital budget is tabled, because of the lack of carry-overs, we are going to have an awful lot of new capital money to spend this next summer.

Mr. Penikett: The Government Leader has, in his answer, I think probably opened up three or four other areas which we will probably want to pursue later when we get into the detailed estimates.

I do want to ask him a couple of other general questions, though, that arise from this discussion of capital planning. I know from his appearance before the Public Accounts Committee last year, and from a number of press statements by Mr. Fingland, that he is interested in being able to better integrate capital and operating expenditure financial planning and, in fact, to be able to do it, as I think the federal

government is also interested in being able to do, on a longer timeframe than one year. I think that is a very useful and commendable purpose, and I wish him luck. I think this government would be the better for that.

I want to ask, though, if in the short time that the Minister of Finance has also been Minister of Economic Development, if his officials, namely Mr. Ferby and his staff, have been able to develop ways yet to better integrate some of the economic information that we may have into the financial planning of the territory? As well, without going into a lot of detail about that, I would like to ask about the uses to which the computer model may have been put for this purpose. I am not a professional in the field, so I may ask naive questions, but having read the paper on the computer model it strikes me that we could well have had in this 1982 calendar year, a situation in which some of the indicators that they were accounting for may have been extraordinarily unusual and that some of the lines may well have gone off the graph. We had such an unusual situation in that the projections may have been arithmetically accurate but they were not very useful as a planning tool.

⁵⁴ However, given that I am a reader of the ERPU material, and I am aware of the kind of ways in which we are attempting integrate information from the federal government about economic indicators in the north and in the region, I would like to ask the Government Leader to what extent that material has been used in budgeting, and to what extent, now that he is minister of both departments, those two senior officials, namely Messrs. Fingland and Ferbey, are able to work together in developing, one, our capital plans, but also the operation and maintenance of budgets as they come forth.

Hon. Mr. Pearson: I fear some days I may have created another monster in the bureaucracy, this summer, as a result of our economic situation. We put together of task-force of officers of this government and they come from the Department of Economic Development, Intergovernmental Relations and Finance. That group is the people who were the prime authors of the economic recovery package which we put together and that we submitted to the federal ministers when they met in Edmonton.

We have them still working together. We are finding now that what we are doing is asking that particular group more and more questions all the time. They are using, I am confident, to advantage, all of the information that they can possibly get off that computer model. That is one of their major sources of being able now to try to determine what might happen in the future.

I am hopeful that in the very near future we will have a capital planning process in place for this government. It is something, as Mr. Penikett has said, that is very close to the heart of the Deputy Minister of Finance, and it is something that we are working on very hard. We are frankly spending some money on it, at the present time, because we have a consultant giving us a hand. We found that we just did not have the in-house expertise to put the project together in the first instance. We have hired a consultant. I am hopeful that by Christmas we will have at least the basic groundwork done. If we can once get into place this capital plan, I am sure it will go a long way towards being a major tool in the economic recovery of the territory.

⁵⁵ **Mr. Penikett:** I would just like to ask a couple of questions about the potential uses, and past uses, of the computer model. Perhaps the Government Leader would like to take them as notice, because I understand it is a very technical field.

My reading of such information that has been available would indicate that if the model had been used earlier this year, it either could not give us accurate predictions or, in fact, the other case may have been that we were not in a position to use it. It does strike me that this tool, as it presently operates, may be able to give us the following kind of options when we are examining expenditures. It may be sophisticated enough to tell us whether, when following certain spending strategy, we could maximize energy conservation. Or, by following another spending strategy, we could maximize employment, short term or long term. Or, by following another strategy, we might be able to make the most efficient use of capital or cash.

I do not know if it is being used that way yet, and perhaps this new task force is looking at exactly those kinds of questions. If the Government Leader can answer that question, I would be interested, at some time during the course of this budget debate, if we could have some

kind of more elaborate description on that question. I do not mean a very lengthy one, but perhaps some indication as to what tools we now do have in-house.

Hon. Mr. Pearson: I will ask the involved departments to look at it and see if they could put something together that may satisfy the Leader of the Opposition. I do know that it is being used more and more now than it ever has been in the past, mainly because it is getting more sophisticated all the time and, in fact, it is becoming more accurate. This is a science that everyone hoped was going to do these things. It does take a long time to get these kinds of models into a position where they actually start to really become a meaningful tool in an organization like a government.

Mr. Penikett: Can the Government Leader indicate to us the kind of timeframe, or decision point, on the applications for funds to the federal government, the \$11,000,000 that is requested. He said earlier that this was a "worst case budget" and is a budget based on the assumption that we might get none of that money and that none of the mines might be open.

It occurs to me that, if we had a federal decision during the course of this sitting, we might even be in a position to entertain a supplementary. You cannot write budgets that quickly, but I wonder if he could indicate to us if he knows what the decision point is?

⁵⁶ **Hon. Mr. Pearson:** I am sorry, I do not have any date at all. I was talking to the minister this morning, however, frankly, it was not a topic of discussion because we were talking about other matters.

I have indicated to the departmental people, in the personage of the assistant deputy minister, two weeks ago when I saw him in Edmonton, that if we do not get a decision that will allow us to start up some of these projects, I suggested that by December 1st, at the very latest, it was just about going to be too late for us. He accepted that as being a factor that had to be considered by them in Ottawa.

Whether or not we would be able to entertain a supplementary at this session, I just do not know. Again, it would depend upon timing. I would think that anything that we did get that would mean a savings or revenue to this government, anything that we could add to our cash position, would still have us with very little money left over at the end of the fiscal year, no matter what we did. I anticipate that whatever happens, the majority of this money will be money that is going to be going to the people for job creation. I cannot see very much else happening.

Mr. Penikett: With the consent of the other members, I wonder if the Chair would entertain a request for a recess at this time?

Some Members: Agreed.

Mr. Chairman: Committee will now stand recessed until 7:30 tonight.

Recess

Mr. Chairman: I will call Committee of the Whole to order and we will continue with general debate on Clause 1, *Second Appropriation Act*, Bill No. 3. Is there any further debate.

Mr. Kimmerly: I have five questions. Most of them are extremely simple and easy to answer. I will give them one at a time. The first one I believe I know the answer to, but for the record, obviously, we are debating a budget for the fiscal year that is already almost half over and I am simply asking about the timing for next year. I realize that it may be very difficult for the civil servants to put together the next budget for the 83/84 year, and I would simply ask the Government Leader if he is able to project in a general sense if next year's budget, that is 1983/84, is going to be on time or nearly so.

Mr. Pearson: I have every indication of tabling a budget for the next fiscal year during the month of March, 1983. I cannot see any reason at all why we should not be able to do that. And not only that, but I cannot see any reason why we could not deal with it at that time, as well.

⁰² **Mr. Kimmerly:** I said that these were very simple and easy to answer.

The second question is about the stability of the economy and the burden to the public of maintaining government. Obviously, if the population declines, or if the tax base declines and we maintain the present level of government, or the present expenditures, the burden on individual taxpayers becomes greater. Business people may see a

rough analogy that if the population declines, or the necessity for government service declines, the civil service ought to decline correspondingly. I am not advocating that. This is a question. On the other side of the argument, the government appears to be the most stable employer around. It is more stable than the mining industry or the tourism industry, or any other industry, it appears. In coming to decisions about cuts in departments, was the stability of government employment in the community considered, and what weight was it generally given?

Hon. Mr. Pearson: Frankly, I am surprised at the question. I thought that it was obvious to everyone. I thought that I and my colleagues had said it enough times. In fact, lay-offs were the last things that we wanted to invoke in the Government of Yukon because, in fact, in times like we are having right now in this territory, it is a fact, the government is the most stable of industries to be in.

⁸³ Now, we went to a nine day fortnight, a very radical thing to do, something that no other government in Canada has even attempted to do yet. I do know that a lot of them are thinking very seriously about it. We were the first ones to do it, and we did it because the only alternative we had was lay-offs. If our economy does not come back and come back quickly, if our population decreases and, more seriously, if our tax base erodes as a result of that population decrease, we will have no alternative but to reduce the size of government. We, on this side, believe very strongly that the less government we have the better off everyone of us is. We have tried over the years to run this government as efficiently as we can by not increasing the size of it anymore than we absolutely have to and that was during a period of growth. I am sure that all members are going to have to be aware of the fact that should things deteriorate, the size of this government is one of the first things that will have to go.

Mr. Kimmerly: The next question is a related question and it is a very serious one. Many economists write that when times get tough it is the program dollars that are cut before the salary dollars. Of course that is exactly what we see in the budget. The programs in some areas are substantially cut and I will be going through some of those in an individual sense, although the overall size of the civil service is not cut.

⁸⁴ I ask this in view, especially, of the national media attention around the economic crisis in the Yukon and the possible, or potential, crisis in government. I have had some people talk to me — not a good number, but a few people — about the ability of the government in tough times to maintain the present level of service, especially in the so-called poverty programs. Would the Government Leader put it on record if it is the position of the government that the programs or services that the Yukon Government now delivers are not going to be cut, or they are not contemplating cutting them unless something else of a very drastic nature occurs?

Hon. Mr. Pearson: I am appalled at the question from the hon. member. He has the audacity to stand and say that we have cut programs and that we have not cut salaries.

I am here to tell you that if we had not cut back on salaries the salary budget would be \$2,500,000 more in this budget right now and Health and Human Resources budget would be at least \$1,000,000 less because we would not have had the money to put there. It does not matter how the member for Whitehorse South Centre reads the budget, we have cut salaries by \$2,500,000 in this budget and we have increased Health and Human Resources, specifically in the area of social services, by \$1,000,000 in this budget. We have not cut the education department. We have not cut any of our program departments at all.

This budget is comprised 55 percent of salaries and wages. Fifty-five percent of the budget of the Yukon Territory is salaries and wages. If we are going to cut anywhere and have meaningful cuts, it has to be in the area of salaries and wages. We have been able to do that, and we have done it without reversing any of the programs in the budget. That is real good government management.

Mr. Kimmerly: To correct the record, I never said that the government is not cutting salaries. I commented on the possibility of cutting jobs and I did say that there were program cutbacks and I stand by that. The detail is going to show it.

The next question is, the Government Leader said in the budget speech, and I quote, "Most notably, social assistance is increased by

\$1,000,000". I would ask the Government Leader to explain that. Also as a related question, he has recently said in the previous answer that in the Department of Health there was an increase of \$1,000,000, or approximately so. I would ask: what are the points of reference for that statement? An increase over what? It is not the spring budget, obviously. What is the increase over?

Hon. Mr. Pearson: We know that we are going to spend \$1,000,000 more in social assistance this year than we spent last year. We just know that. In round numbers, it is going to be \$1,000,000 more. Now, we are providing for that, and that is in the Department of Health and Human Resources. That is where the money is.

Mr. Kimmerly: I will ask further at the time of the particular item.

My last question is about the possible federal assistance, or the application, or the submission to the federal cabinet, about assistance. I understand that the tabled budget is the "worst case budget", if we care to put it that way. If any money is received from the federal government, where is it going to go? Is it in the budget at all, or are there any projected programs or expenditures where the federal funds would end up?

⁸⁵ **Hon. Mr. Pearson:** Mr. Chairman once again I am not sure how many times I have said this in the past week. I anticipate that if we get any assistance from the Government of Canada, and I sincerely hope that we do, it will be first and foremost used to complement what I consider to be seed money at this point in time, our million dollars in respect to job creation programs. I would anticipate that that is where the vast majority of any money that we might get from the federal government would go. Should there be some left over, I would respectfully suggest to all members of this legislature that the only place that it should go, if we cannot use it for job creation programs over the course of this winter, is into our operating capital, because we are projecting a working capital at the end of this year of one half of \$500,000 and that is exactly one-tenth of what it should be.

I respectfully suggest that we are very very close to the wire, very very close to the line. It is a dangerous position for us to be in. Under any other circumstances, I would not stand here and advocate that we be in that position. I just think that the situation is so serious in the territory that we should spend the money that we have. Now, we can avoid that by not budgeting for the deficit that we have in this budget. But if we want to do what we, on this side, think is government's responsibility over the course of this winter, this is what we must do, and we end the year at the present time with half a million bucks left over. It is not anywhere near enough. If we can get any help from Ottawa at all, in addition to our job creation programs, then it should go into our working capital. That is the only place for it.

Mr. Byblow: I have a couple of questions, the first one of which was on the very subject the Government Leader was just talking. The Government Leader has indicated through discussions of the past week that in spite of that \$5,500,000 deficit which is being presently budgeted for, with the net result of 573,000 dollars in the black as a cash flow situation at the end of the year, that it has been held in the black primarily by a healthy cash position at the beginning of the fiscal year, that it is also assisted by higher revenue recoveries in the last fiscal year than was anticipated, and, I understand, there is some withholding of federal payments on revenue-sharing programs. If I am correct, just so that I have a perspective for information of what has taken place since March of this year — because, that is time we have figures for and now is the time we have figures for — what was the cash position of government at that time, if it can be determined, compared to the cash position presently? We know what it will be at the end of year if the projections work out correctly. I would like to see how quickly the cash flow position deteriorated.

⁸⁶ **Hon. Mr. Pearson:** I do not think it is the right word, but I am sure not going to argue semantics. On page 3 of the budget, on the 1981/82 actual, under the financial summary, it shows our surplus at March 31, 1982 to be \$5,506,000.

Mr. Byblow: I saw the figure and I could not understand it in the context of another figure that was produced in the document, "Strategy for Recovery", which showed cash on hand as of March of \$11,000,000 — nearly \$12,000,000 — and I had some difficulty reconciling the two.

Hon. Mr. Pearson: You have to be very careful talking cash flow

and talking what is a surplus or deficit. When we talk \$5,506,000 as surplus at the end of the fiscal year, we are talking about the O & M budget of the Government of Yukon Territory. In addition to that, of course, we have a lot of cash, primarily because we had capital re-votes, all of the capital money that had been voted during the year that we had and did not have a chance to spend. We had that money as cash flow. That is money that we can spend in the normal course of events as cash. We can pay payroll and things like that. When we are talking about surplus, that was our actual surplus position on March 31, 1982, \$5,506,000. On March 31, 1983, we are going to have \$570,000.

Mr. Byblow: I thank the Government Leader for that explanation. It does reconcile the two figures: one being what would appear to be a surplus position, another being a cash flow position using money from another pot in the kitty.

I would like some clarification on another subject that I believe the Government Leader and I touched upon in the past. It surrounds that \$1,600,000 aid package to Cyprus Anvil. When the Government Leader gave me the very detailed figures on that package the other day, there were two specific amounts which stood out. One was \$300,000 surrounding a one-time grant on the recreation centre and another was \$1,200,000 surrounding the purchase of housing from the company.

If I wanted to find out how that was procured, I would not be able to find it in this O & M budget because those are capital items. Is my assumption correct?

And, if that is the correct assumption, where has the money been derived from to be able to?

Hon. Mr. Lang: That money would come out of the operations and maintenance budget of the 1982/83 year. It would not be included in this budget. It would be included next year, 1983-84.

Mr. Byblow: The Minister of Municipal and Community Affairs is saying that the \$300,000 related to the recreation grant, one-time grant, is O & M monies from next year. Is that correct?

Hon. Mr. Lang: Yes.

Mr. Byblow: Okay, that is fine for an answer. Where does the \$1,200,000 come from, in terms of budgetary allocation?

Hon. Mr. Pearson: If a deal was struck we would have to reflect that in our capital estimates, either this fall or at some future date, as a supplementary item in capital estimates. That is where that would be. The money would be reflected in the operations and maintenance portion of the highways budget.

Mr. Byblow: I believe the remainder of the monies is not so much an actual pot amount, or an actual physical amount, it is a savings related to government doing work that has previously been done by, in this case, private enterprise.

I have a third area of question, but it is more of a request for information in the future than it is a specific question now, and that is surrounding the job creation and funding programs being sought by this government. I would simply request that at some point over the course of the next month or two or three that perhaps we could receive some compilation of just what funding is being procured, where it is being directed and how it is being broken out. I realize a lot of this is in the works, and certainly anytime we pick up any newspaper or ask any questions of any federal department or territorial department, there is a lot of uncertainty as to amounts and as to what program it falls under. Does the government know? I suppose not at this point.

Hon. Mr. Pearson: No, we do not know at this point. I can tell the hon. member one thing for sure, he will know. If the federal government decides to give us anything at all, the federal government will make sure that everybody in the territory knows that they are giving us this money. They have a new policy in Ottawa now whereby the federal government has issued instructions that no matter what the project is, if they cost-share in the construction of a project in the territory, then they have a cabinet minister in Yukon to open that project or declare it open, or whatever. They have decided that the provincial and territorial governments, jointly and collectively, have sort of taken over from them when it comes to federal financing and they do not intend to let that happen anymore. They have perceived that they have been euchred by the provincial and territorial governments. Maybe that is true. We had an example here not too long ago when the Minister of Education had the joyful occasion of participating with the Minister of no, no Indian Affairs and Northern Develop-

ment when they jointly opened the newly renovated T.C. Richards building.

Well, that is the way it goes. I was standing on the street, too, but the fact of the matter is that they have made a very firm, hard decision — and it is policy — that they are going to be very much involved, and you can count on it. If there is going to be any money given to this territory, it is highly likely that it is going to be delivered by hand.

Mr. Chairman: Which makes me wonder right now if maybe our Prime Minister is delivering some money in Europe by hand.

Mr. Penikett: I look forward to asking the Minister of Education about her joyful occasion with the Minister of Indian Affairs, when we get to her estimates.

I did want to ask the Government Leader about one small point, given what he has just said. He would not think that that would be for political reasons, would he?

Hon. Mr. Pearson: You can absolutely count on it.

Mr. Chairman: Is there any further debate on Clause 1?

Clause 1 agreed to

Mr. Chairman: We will move on now to the schedule. Is it your pleasure to go through the operating and maintenance estimates from the start to the finish in the order that it is in in the book?

Some Members: Agreed.

On Yukon Legislative Assembly

Mr. Chairman: We will then start on page 9 with the Yukon Legislative Assembly, \$1,157,000.

Hon. Mr. Pearson: This is a very familiar vote to all members of the legislature, I am sure. The Deputy Minister, or the person who acts as the deputy minister of this department in the role of deputy minister, is present in the House most of the time. He has even graced us with his presence here tonight in committee. I do not know what to say other than that the Legislative Assembly Office provides what I consider to be a very valuable support service to this legislature, and I know for sure that we could not get along without it.

Mr. Penikett: Is the salary decrease reflected in these estimates?

Hon. Mr. Pearson: The salary decrease for MLAs is reflected in the estimates. The nine-day fortnight which, in effect, is a salary decrease for all employees in this government, is also reflected in these estimates.

If I might say one more thing, we have asked each of the responsible people for these estimates to go through them very, very carefully for this year and literally cut out everything that they could to make sure that we were not allocating any more money than we had to in the departments so that we could use what money we had for things like the social assistance program, job allocation, special projects. The change that is reflected between the 1981/82 actual and the 1982/83 estimates is indicative of the job that has been done, notwithstanding the general change in the cost-of-living over that period of time. The inflation rate alone would dictate that that change of 3 percent should be at least 12 to 14 percent.

Mr. Penikett: I am sure I can speak for all members on this side of the House when I say that we are positively glowing with a feeling of good fellowship and Christian charity when we donated our pint of blood and pound of flesh so that the clerk and assistant clerks could keep their positions.

I was commenting the other day about how these cuts affected some people more than others. I notice the Minister of Education has suggested that some people could afford a pound more than others. I have given, privately, to the Minister of Education, my explanation for my current circumstances, but if she wants to pursue this matter when we get to her estimates, I think tourism can probably cover it more adequately.

I do want to ask a serious question about this item as it reflects on government policy. It has been my belief, based on my experience in the last four years, that some of the most useful work done by members of this House has been done in committee, much of that work out of the public eye, much of that work without benefit of the rewarding publicity on which politicians thrive.

I note that the budget reflects probably what is a painful necessity in exercising restraint in this item; however, during the general debate on the budget, I did make a suggestion concerning the employment of the select committee. It occurs to me that the members of this House do not

receive any special indemnity for committee work, and given that no assignment has yet been given to the select committee, if it were constituted in a certain way, that committee might have a useful role in continuing the consultative process begun by the Government Leader in his summit conference back in August.

I say again, I understand the restraints under which he is operating, but would the Government Leader, as a matter of policy from the government's side, indicate something about his attitude towards that kind of committee work in this session and through the winter, and whether he could foresee any useful role for the select committee in maintaining a watching brief and, perhaps a receptive brief, on economic developments?

Hon. Mr. Pearson: I do not know that I can see any kind of a role for the select committee in respect to the economic situation right now. Frankly, when it comes to major legislation, particularly very high profile legislation that does demand a large degree of public input, I think it is very beneficial for every member of this legislature to have the benefit of a select committee to look at that legislation.

I am loathe to suggest that I can see this government going to a government by committee type of structure. I do not think that that is the role of this legislature, nor are we, as the government, fulfilling our mandate and our responsibilities if we allow that to happen.

Mr. Penikett: Well, gee whiz, we were just offering to help them out.

I accept the Government Leader's lack of enthusiasm for the proposal. Since we are operating under these restraints, and since this budget really does not have anything in it other than our salaries, and if we are to contemplate future radical revisions to this item, would it be possible to use an existing instrument, such as the Member Services Board, for discussions, if they are needed, about such a problem?

Hon. Mr. Pearson: I have absolutely no hesitation whatever to use the Member Services Board. In respect to the makeup of the next budget, I would like to assure the Leader of the Opposition that I will be calling upon his good offices, along with the Speaker, to seek advice in respect to the makeup of the budget for the Legislative Assembly from the Member Services Board.

Mr. Penikett: I understand that the election that we just went through this year — the members opposite may remember it — came in under budget. I wonder if there is some explanation for that achievement?

Hon. Mr. Pearson: About the only thing that the clerk would say to me was we could thank the efficiencies of our Elections Board for the election coming in under budget.

It may well be that Mr. Clerk, being a small "c" conservative, estimated a little bit high and that made everyone look good when it was all over; I am not sure. I think that everyone who was involved worked very hard at the election and they were very careful and very frugal, and that really is the reason that they came in under.

Mr. Penikett: I am pleased, at last, to receive the admission from the Government Leader that it is a conservative practice to estimate high prior to elections.

I will not respond to the designation of the clerk as a small "c" conservative, since he is not permitted to rise on question of privilege in this House. I suppose, should we take it upon ourselves, we are allowed to insult him at will.

Legislative Assembly in the amount of \$737,000 agreed to

On Clerk of the Assembly

Clerk of the Assembly in the amount of \$210,000 agreed to

On Elections

Elections in the amount of \$210,000 agreed to

Legislative Assembly in the amount of \$1,157,000 agreed to

¹³ *On Executive Council Office*

Mr. Speaker: We will then go to the Executive Council office on page 18. Is there any discussion on the Executive Council Office estimate \$782,000.00.

Hon. Mr. Pearson: I realize that it has been alluded to a couple of times in Question Period and in general debate and so on, but one of the major reasons for the apparent increase in the Executive Council Office is the fact that the Public Affairs Bureau, in a general reorganization of government, was moved into this office. Now, in addition to that, I am sure that I do not have to remind anyone we have just had

an election and it was deemed advisable to reorganize and add to the staff of the cabinet ministers immediately after the election. That has been done, and that is also reflected now in this budget. It was not reflected in the spring because, of course, in the spring we did not know that that was going to happen. So the two major changes are an increase in five people working directly for the cabinet and the increase in the Public Affairs Bureau. The remainder of the office is staying as it was before, and provides the same service as it always did.

Mr. Penikett: When we were dealing with the final supplementary for 1981/82 before the dinner break, the government leader indicated that the total staff in the cabinet office during that budget year, I think, was ten, with four order-in-council appointments, I think it was, with three confidential exclusions and four management exclusions. Could he indicate to us, apart from the Public Affairs additions, how that compares with the personnel in this budget?

Hon. Mr. Pearson: Well, on page 19, the internal audit consists of three person years, the deputy minister and secretary to cabinet consists of 29.5 person years, the office of the Commissioner, 1.2. That is a total in person years of 33.7. Now, the 29.5 that are listed under deputy minister and secretary to cabinet include the 10 order-in-council appointments who work directly for cabinet ministers. Each cabinet minister has a secretary and administrative assistant. I have an executive assistant. I also have a special assistant, and we have a policy planning department branch, if you will, consisting of two administrative people and a press secretary. The remainder of the people all work directly for Mr. Spray, who is the Deputy Minister and Secretary to Cabinet, internal audit or the Commissioner.

Mr. Penikett: If the Government Leader will bear with me for a minute, my arithmetic makes that more than ten people. The Government Leader referred to ten order-in-council appointments at the cabinet level. He referred to four secretaries, or perhaps a secretary for each of the cabinet ministers, and I assume that would assume him too, which means five, and an administrative assistant for each of the others would be another four, which comes to nine, and an executive assistant and a special assistant for himself, brings it to eleven, plus the press secretary.

Hon. Mr. Pearson: There are eleven people. I am sorry I said ten. I should have said eleven.

Mr. Penikett: Still, it does not add up. Perhaps the Government Leader can correct my arithmetic. Are the two people in the policy and planning group order-in-council appointees as well, whether or not they might have been public servants before? I assume the press secretary is a contract position, but that is an order-in-council appointment as well. That is three. Now we have four or five secretaries for cabinet ministers — that is eight, if they are all order-in-council appointments. The cabinet ministers, other than the Government Leader, have administrative assistants?

Hon. Mr. Pearson: If the opposition will allow me, I am sure he is quite aware of this. When I said that each of the ministers has a secretary, what I guess I should have said is secretary/assistant. It is one and the same person. I am the only one who has a secretary as well as an executive assistant.

Mr. Penikett: I understand then that the Government Leader is saying in essence — apart from the change where each cabinet minister now has a secretary/administrative assistant or administrative/secretary, which was not the case formerly — is that there is no change in the structure and number of order-in-council appointees in the cabinet office except for the further addition of the two people to the policy and planning unit.

Hon. Mr. Pearson: Plus one special assistant, Mr. Privett, who is also working for me.

Mr. Penikett: Could I ask then if in the rest of the allocation for the Executive Council Office — in other words those people not working immediately in the cabinet offices, but attached to the secretariat — are there any order-in-council or contract appointments left there?

Hon. Mr. Pearson: No, there are none working in the secretariat itself. All of the order-in-council appointees work upstairs. We increased staff in the Executive Council office by two, I believe, over the course of the year, because it was perceived that with the additional staff working directly in our office, it was not necessary to have that

much support in the Executive Council office.

15 Mr. Penikett: My memory may be betraying me on this. I cannot recall whether the internal audit function was under this item in previous years, rather than under Finance.

Hon. Mr. Pearson: Last year it was under this item.

Mr. Penikett: Okay, just let me leave the questions on the order-in-council appointments with one last question.

The Government Leader will recall that when we had the first of these appointments a couple of years ago, the House went through a fairly lengthy discussion about the terms of their employment. Basically, the rules were quite informal. It was at pleasure. I recall that the salary was considerably in excess of MLAs. The positions were sufficiently vaguely defined, as I recall the Government Leader indicating basically with his first DA, that that person was to do basically whatever the Government Leader assigned him from time to time. I assume that the job descriptions have evolved somewhat since that time.

During the spring session, we received something of an assurance that this type of person would not be involved in partisan political activities during the campaign. Some of the people I think we saw during working hours were involved in the election, but perhaps they were just following the Government Leader around, watching what he was doing, I do not know. But I wonder if the Government Leader could indicate to the House how, in the evolution of his administration, the job descriptions, the terms and conditions, the formalization, if you like, or the contractual understandings between these employees and the government have evolved since the appointment of the first one.

Hon. Mr. Pearson: We have a formal contract that each one of these employees signs. They have to take the normal oaths. They have to be signed up in much the same way as other public servants do because they are paid by the taxpayers, and there are certain requirements that they have to meet. But if I may, we tried to be very careful during the election campaign, that people who were working directly for us, in fact, were not involved during working hours. It is true, I am sure, just like it is true of anybody, Yukoners get involved in politics quite readily and quite quickly and quite actively, and these people are involved people as well. They may well have been working in the evening, but we tried to be very careful in respect to their working hours during the course of the day, that they put in their hours that they were being paid for by this government, on government work and not partisan political work at all.

16 Mr. Penikett: I could probably provide myself with an educated guess as to the reason for the transfer of Public Affairs to direct supervision of the cabinet, but I wonder if the Government Leader might give a brief explanation of that change for the House?

Hon. Mr. Pearson: I do not think that it is going to be the reason that the leader of the opposition thinks that it is.

If you go back a number of years, ever since the creation of a public affairs branch in this government, it has been bashed from pillar to post. It has been in a number of departments. One of the major problems has always been that no matter where it was, it all of a sudden became a public affairs vehicle for that department.

I am sure the leader of the opposition will recall when it was part of tourism. It did not matter where you went in North America at that time, this government consisted of one department, tourism. There was nothing else. Other departments got very uptight. The branch is set up as a service agency to all departments of the government, not to the cabinet, not to the Conservative Party, not to this legislature, but to the government. No matter which department we have had it in, it has always been perceived to be the pet of that department.

The Executive Council Office has got to be the one department in this government that is not involved in a public profile type of operation. They do not serve the public in any way. The Executive Council Office is designed and set up to serve the government. We put public affairs in there because we felt that those people who work there, and the department, would be able to view it as a service department for all of the government. That was the reason it was transferred, the only reason.

Mr. Penikett: I can think of a couple of other good reasons that would not be partisan at all, that would have it there. My own private view is the romantic nature of that department over the last few years

has not done it, or the government, any good. But that is another subject.

I do have a concern, though, and I put this in the form of a question. I note from the organization chart provided on page 19 that public affairs is on a totem pole, the bottom of which is an interesting item called "plebiscites" which, for most purposes, is an empty vessel. Then there is the Executive Council Office, then Deputy Minister, Secretary to the Cabinet and the Government Leader above that. As we know that the Government Leader, Mr. Pearson, is the minister for this department, I would be curious as to whether public affairs, as a reporting line relationship, takes its day-to-day instructions from the Secretary to Cabinet or from the Cabinet Press Officer as a working relationship?

Hon. Mr. Pearson: There is no doubt about it. The Public Affairs bureau takes its day-to-day orders and, in fact, are now physically directly in with the Deputy Minister, Secretary to Cabinet.

Mr. Penikett: So the previous system, presumably, whereby a minister would make requests and the director — or whatever he is called, the head of the department who would make the assignments to the staff — would continue to apply, in spite of the physical relocation of the cabinet office. I do not want to waste a lot of time on this, but I would be mildly curious about the division of labour between the cabinet press secretary and the Public Affairs Bureau because, I am sure the Government Leader will not mind me commenting on this, there was a period immediately prior to the election where, in my opinion at least, there was some confusion of appropriate responsibility in terms of issuing press releases. And at times we had statements over the signature of the cabinet press office and, other times, matters unrelated, or similar subjects coming from public affairs, it was not a problem of co-ordination, but it seems to me the local public might have had some difficulty in understanding who was speaking with whom.

Hon. Mr. Pearson: The people who work in the Public Affairs Bureau are in fact working for this government and they are not political appointments, nor do they want to be. We try to keep the matters separate. There is no physical working relationship between the cabinet press secretary and the Public Affairs Bureau. Certainly, these people talk to each other because there has to be some sort of co-ordination. There are some specific rules. If there are press releases coming from the cabinet, then it is the cabinet press secretary who does them. If there are press releases from the departments of the government, then it is Public Affairs Bureau who does them. There should not be any confusion on anyone's part. The rules are quite explicit. I know that the people involved understand the rules very well. After all, they wrote them. It is a system which I think is working quite well.

18 Mr. Chairman: If there is going to further debate on this, I wonder if it is the wish of the members to take a short break before we continue with debate.

Some Members: Agreed.

Recess

Mr. Chairman: I will call Committee of the Whole back to order.

On Executive Council Office.

Mr. Kimmerly: I am still confused about the new additions on person years. I notice in the 1981/82 estimates for the Executive Council Office, the person years are 13.5. In the spring budget it was 14.5, and in the new budget it is 19.5, an addition of five person years. Could the minister, in a sentence or two, explain the function of the five new person years.

Hon. Mr. Pearson: In fact, the five new person years were the two people in the Policy Planning Branch, Mr. Steele and Miss Lewis, Mr. Privett who is working as a special assistant for me, and two new ladies who are working as secretary/assistants to the ministers. Now you have to realize that we did have some secretaries up there prior to this time so it was an addition of two in that particular area, and two policy and planning and one special assistant. The reason that it does not show as a direct increase straight line across is because we actually had a reduction in staff in the Executive Council Office, in that Miss Lewis came from that office and her position was not filled when she came from the Executive Council Office.

Mr. Chairman: Is there any further general debate?

Mr. Byblow: On the subject of ministerial exclusions, which are all order-in-council appointments, I believe we concluded earlier that there were a total of something like 11 persons. In previous debates we talked about the very sensitive nature of these appointments in terms of them not necessarily having a job description to which they applied and not having an elected office to which they fulfill some commitment or subscribe to some commitment. I guess the question that I would have is from discussions in previous debates where the Government Leader undertook to look into establishing job descriptions for these people, so that there would never be a conflict, should it ever arise that these people may be working in the political arena as opposed to the specific executive function that they serve. Did this ever occur?

¹⁹ **Hon. Mr. Pearson:** The member is quite confused. The reason that they are order-in-council appointments is that they work in the political arena. They are political appointments. They stand or fall in respect of their political work. Make no bones about it, they are political appointments. They are not administrative appointments. They are not public servants *per se*. They are paid by the public service, by the Government of Yukon, but they are political appointments. That is why they are order-in-council appointments.

Mr. Byblow: On the nature of their function, given that they are political appointments, at the same time they are paid under and through the Public Service Commission, is there a job description for each of those 11 postings? What is the nature of their review process?

Hon. Mr. Pearson: They are not paid by the Public Service Commissioner. The Public Service Commissioner has absolutely nothing to do with them. They are hired by me. They sign a contract with me, as Government Leader. They do not sign a contract with the Public Service Commissioner, at all. They work not at the pleasure of the Public Service Commissioner, but at my pleasure. That is where it begins and ends.

Mr. Byblow: Given the description of their job that the Government Leader has outlined, do they engage in any strictly political partisan work?

Hon. Mr. Pearson: One of the major responsibilities of the secretaries is, in fact, to make sure that the minister — who has to spend so much of his time working at administrative work — also gets his political work done, particularly in respect to his own constituency. Each minister has a constituency that he is responsible for as an MLA. A lot of that particular work is done by these people.

Mr. Penikett: The Government Leader has just indicated that these people continue in this government service at his pleasure. In other words, the staff of the ministers are people who come and go, as far as service of this cabinet is concerned, at his pleasure. They are, to use the British expression, patronage within the gift of the Government Leader.

²⁰ Could I ask the Government Leader, since whomever may be chosen for these positions, presumably the positions were created first. I hope that is correct. And the positions were described hopefully on the basis of some need perceived by some individual cabinet minister, the cabinet collectively and principally by the Government Leader himself.

In reaching a decision on the creation of positions of administrative secretaries, executive assistants, special assistants, the policy and priorities persons — I do not know what their titles are — and the cabinet press secretary, the government has by now presumably evolved descriptions of these positions in writing that would not necessarily be in the detail of this budget, but would be on record somewhere.

Could the Government Leader provide us, I do not mean in minute detail, with some description of the new need that developed which caused the new positions to be created, and the descriptions of the positions. I do not mean that they would do the bidding of the minister and that they do the political work. He began to indicate something about the duties of the administrative secretaries to the cabinet ministers, whereas they are not just executive secretaries, they are providing administrative support to the cabinet minister, but we also just found that they are doing constituency work, in essence, for the cabinet ministers too. This is a component activity of the job that we had not heard before. And I would like to ask as well in respect to those

descriptions, if, given these added duties of these secretaries/administrators, their salaries are commensurate with executive secretaries in the rest of the government within the public service, or if there is some other new category that has been developed to pay such appointments.

Hon. Mr. Pearson: The leader of the opposition is going to get the same answers that he got last year when he asked the same questions. We, as a government, know what we would like to have these people doing. They understand what we would like to have them doing. The positions are sensitive. They are very very private, and these people work directly for us. That is why they are order-in-council appointments. Now, in respect to the need, I just finished an election campaign, and I was told over and over and over again by my constituents, and by many people in this territory, that in fact we did need more of this kind of help.

Probably one of the mistakes that we made when we first came into office the first time around, was that we were too frugal, that we thought we could do it all ourselves. It just cannot happen that way. No matter how hard we work, we cannot do it all by ourselves. This kind of help is needed. It is a well known fact that every government in Canada has this kind of staff working for it. This one is minute. Mind you, I guess you could say this is a minute government, in respect to Canada. We have a very small personal staff. That is what these people are. They are our personal staff.

Now, in respect to salary, the salaries were, in fact, established on the basis of similar types of jobs in this government.

²¹ Taking into consideration, number one, the lack of some of fringe benefits that the public servants get that they do not get; number two, the lack of tenure and this type of thing. On an average I would say that the secretaries get about \$2,000 a year in addition to what the secretary IIs receive in the public service to offset for the benefits which they do not receive as public servants.

Hon. Mr. Lang: I would just like to make a few comments. I have to agree with the Government Leader when he said that perhaps we were too frugal in respect to health in the previous government. I think it is fair to state — and I recognize that the leader of the opposition was not in the House at that time — that prior to party politics the members of the Executive Committee each had their own individual secretary. After that it changed. The ministers who had been designated for certain responsibilities were sharing a secretary, which made it very onerous upon the individual involved, and almost impossible for the employee to do the necessary work that was being asked of her. So what has happened is that each one of us does have a secretary. I find it surprising that we are going into this length of debate on it. When we go through the mains, no one questions whether a deputy minister should have a secretary. I can say, at least for myself and I am sure for anyone on this side of the House, that we do need a secretary to function. We are very fortunate to have the people we have who put considerable interest and effort in the jobs they have taken on. It is very onerous. As you can well see, some of them are in the gallery this evening, because some of them do take an interest in the job they have.

Mr. Penikett: I am sure my mother would be here too if she knew we were talking about her.

I always love to hear the member for Porter Creek East talking about party politics as if suddenly it appeared out of a genie's bottle in 1978. Anyone who knows anything about the history of this place knows that we always have had party politics. The only thing that happened in 1978 was the Tories came out of the closet.

The Government Leader made the point about these people working for him, and therefore we were going to get the same answers we got last time. The answers we got last time obviously did not impress me very much since I have trouble remembering them, except that I remember that the executive assistant, the first time around, was getting about 25 per cent more than an MLA, and I assume that same kind of relationship applies. The point to make to the Government Leader is simply that these people are paid by the taxpayers. I am sure that the Government Leader and I must have been talking to different taxpayers because I was getting a distinctly different reaction during the election period. I guess you tend to choose the people of one's persuasion. I guess I had a few more votes in my riding than the Government Leader had in his, so we can make that kind of comparison if he likes.

²² A lot of the people in my riding are public servants, as they are in his

too, people with somewhat expert opinions on these kinds of things. I would assume that, when establishing these kinds of positions, the Government Leader, having been in the public service for some years here, would have had the model of executive assistants, special assistants and administrative assistants from the public service in mind. Since those positions are defined quite precisely, I understand, most times when there is a competition for them, I am surprised that there is not a more precise job description made public.

It does not seem to me that we are betraying any great confidences to let the public know what these people do or to define the positions in some precise way. There may be some aspiring students in the gallery one day who might aspire to such a lofty position as being administrative assistant to the Minister of Public Works or special assistant to the Government Leader. If you want to have that kind of goal, you at least ought to know what you are going to be doing when you get there.

The fact of the matter is, the reason — and I make this point to Mr. Lang — is because these are order-in-council appointments that there is the public desire for discussion. There is the understanding that these people are not the product of a Public Service Commission competition. They are not people who apply for the most part, even though they may have been previously public servants, to ads in the newspapers. They are people who are the personal choices of the government of the day. I am not suggesting that this has happened here, but there are governments, I can tell you, elsewhere in the country, where some of those appointees would not have survived a Public Service Commission test because they were, in fact, being rewarded because of some political services, and may or may not have been qualified for the position they now hold. That comment has been made about cabinet ministers in various governments around the country from time to time. At least they apply for the job and were hired in some kind of public way.

I do not want to make a big fuss about this. The Government Leader could end the discussion very quickly if he could just undertake to provide us, at some point, with some kind of brief job descriptions of what these people do and some kind of notion of the salary ranges. Now we know what the administrative assistants are probably getting. We could probably peg that pretty accurately. I would guess the executive assistants and special assistants are probably getting some extraordinary amount in excess of \$40,000, which is what the first person was getting a couple of years ago. It is really a very simple request and I am sure we would be satisfied with a simple answer.

Hon. Mr. Pearson: If the leader of the opposition wanted to know what they were making for salaries, maybe he should have asked me. It is a simple question and I could probably give him a simple answer. Salaries range in the order-in-council appointments from \$26,500 per annum to \$44,000 per annum.

Hon. Mr. Lang: Could I ask the leader of the opposition a question, since he takes great glee with his privilege in the House of asking this side of the House questions. Did he fill out a job description when he got his job as an executive assistant to Mr. Broadbent, and was it a national competition and advertised accordingly? Did anything, as far as an appointment, have anything to do with politics or was it strictly an administrative appointment?

Mr. Chairman: Of course you do not have to answer the question.

Mr. Penikett: I would be happy to. I wish the member opposite would do the same when I asked him the question. I was the successful winner of a competition. The competition, I should point out, was only open to people who had the certain set of intellectual personality traits and partisan inclinations. My salary was a matter of public record and so was my job description, and I think I would have been better off working as an executive assistant in this government than I was working for the person I was employed by. Anyway, that is another subject. Perhaps if they could ask questions one at a time, I could deal with them.

Now that we have the salary range sorted out, and that was really remarkably easy, if we could just get some brief descriptions of the various positions, nothing elaborate, just the broad range of the duties, who they report to and that kind of thing, I think we could probably close off discussion of this.

Hon. Mr. Pearson: I have given a broad range of duties. I have listed the duties of each person and I have also indicated who each

person reports to. Now, I have no intention of tabling in this House job descriptions for these people, because I just do not think it is a right or a proper thing to do. I appreciate the leader of the opposition having a different opinion. I respect that opinion. I just disagree with him. I do not think that I have a responsibility to table job descriptions for those people in this house.

Mr. Penikett: I guess we will just have to agree to disagree about that. Let me try one last question on the subject.

In respect to the administrative secretaries, which is a slightly different designation than they had previously, let me ask the Government Leader if, beyond these three major functions which are described to them, the executive secretary duties which were basically their previous duties, and the administrative assistant duties, which are new, and the constituent assistant duties, which are, I gather, new, at least formalized, do they have any other major role to play in their service to the ministers?

Hon. Mr. Pearson: It is one of the reasons why I think that for people who do this kind of work, at least where I am involved, it is very difficult to write job descriptions, and also it is very difficult to lay anything down specifically as to what the parameters are. I consider these to be virtually personal contracts. They work for a minister and I do not think it would be extraordinary, frankly, for a minister to ask his secretary/assistant to go and make a bank deposit for him, or even to go and cash a cheque for him. It is something that I think is expected of them, if that is what the minister wants them to do.

²⁴ I sometimes take my secretary to lunch; sometimes she takes me to lunch. Sometimes I drive the car; sometimes she drives the car. It is a working relationship that is developed. They do very many things because it is their duty. Normally it is a case they do them because they perceive it to be their duty.

Hon. Mr. Lang: I have a question for Mr. Penikett since we are in Committee of the Whole and I know that we passed it over. I understand that their caucus has hired two researchers. I am wondering if those jobs had terms of reference and did you go out for general advertising?

Mr. Penikett: There were job descriptions prepared by the caucus and written up, typed up on pieces of paper, and the job descriptions were circulated fairly widely, eight hundred and some of them, to a select group of people who might have provided a pool of talent from which we could choose. Applications were drawn from people who responded to those job descriptions. I want to emphasize, it is not two people. It is really only the money there for one position. It is just that they happen to be fairly selfless, devoted kinds of souls, and we have divided up the limited means in a way that shows, I think, commendable restraint.

Mr. Chairman: Is there any further general debate on the Executive Council Office? If not, then we will go to discussion on the Executive Council office estimate for 1982-83 of \$782,000.

On Executive Council Office

Executive Council Office in the amount of \$782,000 agreed to

On Office of the Commissioner

Mr. Penikett: Now that the Commissioner's office has been relocated, how has that changed the physical working relationship between the Executive Council Office and the Commissioner's office? The Commissioner does not have a large staff. The Commissioner must have to come over here sometimes and presumably people from the cabinet office go over there, but how do they physically work out their relationship? I have no basis of knowing how many contacts or how much daily business would be transacted between the cabinet office and the Commissioner, but I would be interested in getting some insight into that.

Hon. Mr. Pearson: The business is primarily one of us requiring the Commissioner's signature on official documents. I work as the chief executive officer of the territory; it is not the Commissioner anymore. So with that evolution happening, the Commissioner does not have any administrative responsibilities to this government. That is one of the reasons he found it desirable to move out of this building because it does help with the physical separation to make it clear where responsibilities lie.

We have a procedure whereby files and papers are carried back and forth between the Commissioner's Office and the Executive Council Office.

Some papers do require the Commissioner's signature and are routed to the Commissioner through the executive council office. Specific duties are laid down for specific people to take those files to him. If the Commissioner is away, of course, then the Administrator is in, and the same procedure is followed.

It is a system that works and works well. The Commissioner has spent a fair amount of time this summer, and done a very good job, travelling on behalf of the territory, and speaking on behalf of the territory, in a number of cities in Canada. I hope that he is going to continue doing that.

Mr. Penikett: Before we finally clear this total vote, from time to time I get calls from constituents and people about cabinet cars. Just for the record, could the Government Leader tell us what the situation is now? Occasionally I get someone phoning me saying that they saw someone driving home in a government car or coming home in a government car. I am not clear on how many cars that we have now. Are they leased, purchased and who has them?

Hon. Mr. Pearson: I do not know how many government cars this government has. There are a lot. I use a government car. It is unmarked. It is a lease car. Mr. Tracey uses one. Mr. Ashley uses one. There are cars available for the other two cabinet ministers if they would wish to use them. They are being used in other places now. I feel very strongly that they have a right to use them and that the taxpayers of the territory have a responsibility to provide them with vehicles. Cabinet ministers are at work and are on call to the taxpayers of this territory for 24 hours a day. It is necessary that they go many places, from their homes, in a vehicle. There is no other way to get there. It is a recognized factor everywhere. It is just grossly unfair that we should expect cabinet ministers not to have vehicles. Again, I would respectfully suggest that if the Commissioner of Yukon should have a vehicle, and I have not heard anyone question that for a large number of years, there is absolutely no reason why cabinet ministers should not have one.

Mr. Penikett: I do not have a lot of questions to ask. The Government Leader has said what the situation is. I just want to correct one thing that he said and that is that it is the situation everywhere, because it is not.

There have been, and I do not doubt there still are, premiers in this country who drive their own cars. I know of one in particular who never never used anything else other than his own car.

²⁶ He also drove at his own expense, and that is because he deemed the expenses part of his income covered that. I know it is, in fact, a question of personal style and personal fashion. His successor hired a chauffeur and a limousine, even though he only lives three blocks from work. He will end up looking like me if he is not careful. But I think the Government Leader is not correct that it is the standard practice everywhere for cabinet ministers to have government cars.

Hon. Mr. Pearson: I am sure that I am quite prepared to stack up minister for minister across Canada with the leader of the opposition, and see which one came out with more, as to whether more of them, in fact, drive government cars or more of them drive their own. The fact of the matter is, with the salary that this government pays me, as Government Leader, I cannot afford to drive my own car.

Mr. Penikett: I am not even going to touch that one with a ten foot pole.

Just let me make this point, and I do not say it in any hope of inspiring the Government Leader differently, but there are a significant number of people in this territory who sometimes raise questions which I would call rising out of a perception of economies of scale, and there are a lot of people around here, who, notwithstanding the size of this budget that we are dealing with, notwithstanding the responsibilities of the cabinet in a responsible government, who worry that we are, in fact, adopting the trappings of a provincial government in a large province to the south in a way that is not warranted, given our population and our tax base. And I will make that comment. I think it is fairly widespread and I would leave it at that.

Hon. Mr. Tracey: I think I would like to comment on this situation. I, as a minister in this government, get the same salary as an MLA and the same expenses as an MLA who lives outside of Whitehorse in this territory here. As a minister, I get a ministerial salary. I do not get paid to drive my own car. I do not get paid to have two homes, which I am required to do, and I am sure the member across the floor would not

relish having to have two homes in order to run his business or have his family live in one place and him in another.

I am sure that he would not ask me, as a member of the opposition, to ask him, as a member of the government, to drive his own vehicle on government business. I think it is only right and proper that this government provide the ministers with the transportation that they are required to have as a government employee or a government member, and on top of that, I also think that they have an obligation to supply some of the living expenses of the ministers who are required to own two homes.

Office of the Commissioner in the amount of \$83,000 agreed to

On Internal Audit

Mr. Penikett: I think I know all the people involved in this. I saw, when we were looking at it, three person years, and I am just trying to figure out if that is an increase of one, or perhaps there might be some kind of staff assistance?

²⁷ **Hon. Mr. Pearson:** This is the chief auditor, the auditor and a secretary. We looked very hard and longingly at increasing this establishment this year, and just felt that we would manage to get through this current year. I hope that I can indicate an increase in the man-years for next year's budget in this particular section, because I believe that it is needed.

Mr. Penikett: I understand that these people do not now work out of this building? I understood for a while that they were out of this building and did this affect their ability to do their job which would, I presume, involve fairly immediate access to most other departments.

Is the Internal Audit Committee now meeting and functioning?

Hon. Mr. Pearson: Yes, the Internal Audit Committee meets and is functioning. In respect to the location, we found it necessary to move them out of the building. With the renovations that are going on now we hope to get them back into this building fairly soon. It has affected them to some degree in respect to the departments in this building. It has made it tougher for them. We are quite cognizant of the problem. I just hope that we have the solution with the renovations.

Internal Audit in the amount of \$128,000 agreed to

On Public Inquiries

Mr. Penikett: I would ask the Government Leader to respond to the following suggestion to do with the form of this estimate and the one that follows, Public Inquiries and Plebiscites. Given the frequencies of these two items, is there any reason why they could not be consolidated into one budget item?

Hon. Mr. Pearson: They are, in fact, two different programs, and under the auditing functions, the way that our books are set up, we find it necessary to list them as separate items. Should we find it necessary to use them, of course, they will be dealt with through supplementary estimates. It is a *pro forma* vote.

²⁸ *Public Inquiries agreed to in the amount of \$1.00*

On Plebiscites

Mr. Penikett: Just quickly, when was the last time we had a plebiscite?

Hon. Mr. Pearson: The last plebiscite was about 1972 or 1973 and it was in respect to the Liquor Ordinance of the day. I think that was the last plebiscite.

Plebiscites agreed to in the amount of \$1.00

On Public Affairs Bureau.

Mr. Kimmerly: I notice an administration increase over the last year. It is a large increase of some 38 percent. What is the reason for the large increase over last year?

Hon. Mr. Pearson: There does not seem to be any specific reason other than costs generally, an increase of two man-years, but it is just that general costs have gone up, advertising and things like this.

Public Affairs Bureau agreed to in the amount of \$438,000

Executive Council Office agreed to in the amount of \$1,431,000

Hon. Mr. Pearson: I move that you report progress on Bill No. 3 and that the Speaker now resume the chair.

Motion agreed to

Mr. Speaker resumes the Chair

Mr. Speaker: May we have a report from the Chairman of Committees?

Mr. Phillipsen: The Committee of the Whole has considered Bill No. 4, *Fifth Appropriation Act, 1981-1982*, and directed me to report same without amendment. Further, the Committee has considered Bill No. 3, *Second Appropriation Act, 1982-1983*, and directed me to report progress on same.

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

Some Members: Agreed.

Mr. Speaker: May I have your further pleasure?

Hon. Mr. Lang: Mr. Speaker, I move that we do now adjourn, seconded by the Minister of Justice.

Mr. Speaker: It has been moved by the Honourable Minister of Municipal and Community Affairs, seconded by the Honourable Minister of Justice, that we do now adjourn.

Motion agreed to

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

The House adjourned at 9:29 p.m.

