



The Yukon Legislative Assembly

Number 9

3rd Session

25th Legislature

HANSARD

Monday, April 11, 1983 — 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, and 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 and Tourism/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, April 11, 1983 — 1:30 p.m.

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

Prayers

Mr. Speaker: I would at this time, before proceeding with the order paper, like to say that it gives me a great deal of pleasure to introduce to the House today, a new page, Stephen Shick from Haines Junction, and welcome him to the service of the House at this time.

Applause

DAILY ROUTINE

Mr. Speaker: Are there any returns or documents for tabling?

TABLING OF DOCUMENTS

Hon. Mr. Pearson: I have for tabling the answers to the oral questions on March 23, 1983 by the member for Mayo.

Mr. Speaker: I have for tabling a document related to the deductions from the indemnities of members of the Legislative Assembly made pursuant to subsection 40.1(6) of the *Yukon Council Ordinance*.

Mr. Speaker: Are there any reports of committees?
Petitions?

Reading or receiving of petitions?

Introduction of bills?

Notices of motion for the production of papers?

Notices of motion?

NOTICES OF MOTION

Hon. Mr. Lang: I give notice about the second report of the Standing Committee on Rules, Elections and Privileges.

Mr. Speaker: Are there any further notices of motion?
Are there any statements by ministers?
This then brings us to the question period.

QUESTION PERIOD

Question re: Dome Petroleum

Mr. Byblow: I have a question I will direct to the government leader. It is my understanding that very recently a substantial reorganization has taken place within the corporate structure of Dome Petroleum in that it directly affects Cyprus Anvil assets and holdings. Can the government leader confirm what really has taken place and whether Cyprus Anvil is, in fact, now a numbered company as reported?

Hon. Mr. Pearson: I cannot confirm those facts, as stated by the member for Faro; however, what I can say is that it is now public knowledge that Dome has done some reorganization of their corporate structure and has separated Cyprus Anvil, decisively, from Dome.

What that has done is take Cyprus Anvil out from underneath the protection that has been offered by the Dome bail-out, if I understand it properly. But, what else has happened because of this reorganization is they have been required to get the approbation of the four banks that they have borrowed money from in respect to loans that are outstanding to Cyprus Anvil. Evidently, the plan that they had entered into was one whereby they would be paying the interest on the loans and not the principal, at this point in time.

I understand now that three of the banks have agreed to this plan: the fourth bank has not. There has to be a decision taken, definitively, on this issue within the next couple of weeks or I would think that Cyprus Anvil may be in the position of having to

declare some sort of bankruptcy — they would be in default to their bank.

I have had word from Cyprus Anvil, or, from Dome, that this has not had any effect, nor will it have any effect, on the plans in respect to the opening, which we are hoping to have word on from the Government of Canada within the next day or two. They have reiterated that their planning in respect to their opening has not been affected by this particular reorganization.

Mr. Byblow: Can the government leader say whether or not he has had communication from the Government of Canada that the restructuring that has taken place may or may not affect the proposed aid package being considered now?

Hon. Mr. Pearson: No. I attempted to contact the deputy minister this morning in respect to this issue, but I was not successful in doing that. The reason I wanted to contact him is because he has been dealing directly and personally with this package for the last couple of weeks and I thought if there had been any concerns at all he would probably be the one who would be able to tell me; but I was not able to contact him this morning.

Mr. Byblow: Can the government leader advise which of the four banks is calling for default on loans?

Hon. Mr. Pearson: I do not know who the four banks are that are involved.

Question re: Social assistance

Mr. Kimmerly: I have a question about social assistance to the Minister responsible for social assistance.

It has come to my attention that there is a residency requirement presently being applied to applications for social assistance and the requirement is that the applicant must have worked three months in the Yukon. Is that accurate?

Hon. Mr. Tracey: To be eligible for social assistance — the member across the floor is right — we do require some term spent in the Yukon Territory. The reason for it is that we do not want to become a haven for people applying for social assistance, so if they are not resident within the territory for a period of time, we provide them with enough money to make their way back out of the territory so that we do not become a haven for people on social assistance.

Mr. Kimmerly: It is my information that the present test involves a three-month work period independent of the actual residency period. Is that accurate or not?

Hon. Mr. Tracey: I would have to get back to the member on that. I am not right up to speed on whether it is three months or not. I would have to bring the answer back tomorrow.

Mr. Kimmerly: On a first blush, the residency requirement appears to be inconsistent with the *Canada Assistance Act*. Is the minister aware of any federal-territorial negotiations around clarifying that seeming inconsistency?

Hon. Mr. Tracey: We are well aware of the *Canada Assistance Act* and what we are doing under it. We are not refusing social assistance or we would be contravening the *Canada Assistance Act*. What we are doing is providing enough money for someone who has only recently come to the territory — if this is not his home, he has no residency here — with enough money to get back out of the territory to where he rightly belongs. We do not feel it is the responsibility of the people of this territory to provide a haven for someone who happens to come here and wants to stay on social assistance. So, yes, we are aware of the agreement, and, no, we do not feel that we are breaching it.

Question re: City of Whitehorse fire department

Mr. Porter: My question is to the Minister of Municipal and Community Affairs. The refusal of the Whitehorse fire department to respond to a fire on the Takhini Hot Springs Road until it was too late to save the house raises serious questions about the protection of residents in the rural areas around Whitehorse. Particularly in light of the recent opening of residential subdivisions outside the city limits, what action will the minister be taking to secure fire protection to the residents of rural areas around Whitehorse?

Hon. Mr. Lang: Hopefully, some arrangement can be worked out with the City of Whitehorse. Further to that, it should be pointed out that the fire insurance that is authorized for areas five

miles away from a hydrant or a fire department is calculated under the assumption that no fire protection is made available. At the same time, I do concur that if an amenable arrangement can be reached, there certainly should be some protection to at least contain the fire.

Mr. Porter: A correction on the previous statement made by myself: I stated that it was refused by the Whitehorse fire department; actually, it was a delay of the Whitehorse fire department.

Would the minister be prepared to negotiate a contract with the city for providing protection to such areas and providing a payback system so that the City of Whitehorse does not have additional expenses to meet as a result of the decision?

Hon. Mr. Lang: This would definitely be a part of any discussions with the City of Whitehorse. I intend to have a meeting with the City of Whitehorse, along with the MLA for Hootalinqua whose riding is affected, with the idea of sitting down and discussing these issues. It should be pointed out that in the past calls were sometimes responded to and then the charges for the hours that the fire department had to put in with respect to fighting a fire was charged to YTG.

Mr. Porter: My final supplementary deals with the rural areas of Yukon. Has the minister investigated to determine what extra costs for fire insurance will have to be paid by people building on YTG lots in the rural areas of the Yukon or does he know if the fire insurance is, in fact, available to all rural residents of the Yukon? If it is not, what is his government doing about making it available?

Hon. Mr. Lang: If the member did his homework, he would find out that fire insurance is available.

Question re: Placer mining

Mr. Falle: I would like to ask a question to our government leader. Today, when I entered the House I had a big stack of papers on my desk pertaining to placer mining in Yukon. One is "Rationale of Classification of the Streams and Lakes of the Yukon Territory"; another one, "Suspended Solids"; another one, Placer Guidelines"; and a great big one, "Social and Economic Impact". I would like to know if this is part of this expert panel because, for sure, I have never seen these documents before. I do not know if anyone else has, but I would like to know who they asked.

Hon. Mr. Pearson: I realize the member has addressed the question to me, but I am the wrong person to have to answer the question. I saw it for the first time when I sat down in the House, as well, this afternoon.

Question re: Fine Options Program

Mrs. Joe: I have a question for the minister responsible for justice.

The minister stated, on March 28th, that a replacement for the Fine Options Program is being looked at. Can he now tell us if his department has any definite plans for replacement of the program?

Hon. Mr. Ashley: In answer to the member's question, no. I will be getting back to the House and the member opposite when we do have something, but, at this moment, no.

Mrs. Joe: Since the cost of each inmate is in excess of \$80 a day and since this government is in agreement that we have to cut costs, will the minister report to this House during this Session the total cost of persons incarcerated for failure to pay fines in the last fiscal year?

Hon. Mr. Ashley: I can undertake to do that.

Mr. Speaker: Perhaps that type of question would be more properly introduced as a written question.

Mrs. Joe: Can the minister tell us if his department is monitoring the number of persons incarcerated for failure to pay fines and, if it is, can he tell us what those numbers are?

Hon. Mr. Ashley: The numbers are all there; we will have to dig them out. I will endeavour, as I said previously, to get back to the member.

Question re: Labour Standards Act

Mr. McDonald: I have a question for the same minister, in his capacity as minister responsible for labour services.

Last fall, the minister suggested that we should expect changes to the *Labour Standards Act* this coming fall. On March 23rd, he said that Mr. Dornian's removal, the director of labour services, temporarily to the Department of Education, would delay the development of new legislation. Can we still expect an overhaul of existing legislation to be introduced in the House this fall?

Hon. Mr. Ashley: As I told the member opposite, Mr. Dornian is secondment to Education would very possibly hold up this legislation. I think that is the answer. I cannot guarantee it for this fall; that is what I was stating at the time. We will be attempting it, but I cannot guarantee it.

Mr. McDonald: As the minister, I am sure, knows, a large number of wage claims are unsuccessful due to the inadequacy of the present legislation. Is he prepared to introduce this Session any amendments to the legislation which would help wage earners recover unpaid wage claims?

Hon. Mr. Ashley: No.

Mr. McDonald: The select committee on labour standards, a year ago suggested that three options — one being wage bonds, another wage insurance and, a third, an unsatisfied judgements fund — be investigated for the satisfaction of wage claims. What is the government's position on these options and have they developed a preference?

Hon. Mr. Ashley: As I said, we are working on things. The administrator for that part of the department is seconded to another department so that is holding everything up in that area. When I introduce legislation they will certainly know what our policy is.

Question re: White Pass Railroad

Mr. Byblow: I have a question, again, for the government leader. Last December, the government leader reported on meetings with the Governor of Alaska concerning the possibilities of Alaska assisting with the White Pass Railroad by purchasing docking facilities at Skagway. Since that time, reports are that Alaska was unsatisfied with the terms demanded by White Pass. Has this government continued in its attempts to facilitate negotiations between Alaska and White Pass and, if so, what has taken place?

Hon. Mr. Pearson: As far as I know, there are still negotiations going on. I do not know how active they are at this time with respect to the docking facilities at Skagway. We are dealing with an owner of property and another government and they are trying to come to some sort of an accord. I would respectfully suggest that it is going to take a considerable amount of negotiation and, probably, it is one of those things where the last thing that either party in those negotiations needs is a third party intervening. This is primarily a business deal and it is one that should be resolved in that fashion.

Mr. Byblow: The government leader also indicated, last November, that this government could recall its interest-free \$1,000,000 loan to White Pass if the company were to permanently cease operation of its rail service. Has this government formally asked and received any information from White Pass on what its intentions are with respect to reopening the rail service and whether or not the loan terms may have been violated?

Hon. Mr. Pearson: I am not sure that I understand the question. I thought at one point the member was going to ask me whether we had asked for the loan back; we did not. Then I thought he was going to ask me whether the terms of the loan have been violated; I do not think he did that either. I am not absolutely sure what the question was.

What I can tell him is that under the terms of that agreement, we were required to take certain actions within a specified period of time after the railway ceased operation. I want to assure the hon. member, all members of this Legislature and the general public, that we are, in fact, very diligent at looking after the taxpayers' dollar in the territory. We have taken the required steps. We have notified White Pass of our intention to recall that loan should it be necessary to do so. The agreement that we have requires that, during a specified period of time, we have to make our intentions known to White Pass; we have done that.

Mr. Byblow: Having made those intentions known, the government leader has indicated in the past that any reopening of the

Skagway Road to competitive freight traffic could jeopardize the chances of recovering that loan. Can the government leader indicate whether there is any danger of recovering that loan from White Pass?

Hon. Mr. Pearson: That particular loan is in fact a first charge against White Pass and, no, I do not believe there is any danger in recovering it ever, mainly because White Pass has assets in this territory that far exceed the amount of the loan. I do not think there is any danger at all.

The opening of the road is another question. I do not think I have ever stated that opening the road would jeopardize us being able to collect our \$1 million. What I did say is that if we opened the road at that particular time — White Pass was in operation — it would certainly take longer for White Pass to make the money to pay us back. That is what I said then.

Question re: Yukon Housing Corporation

Mr. Kimmerly: A question to the Minister responsible for Yukon Housing: I am aware that a clause in the furnace maintenance contract requiring the use of certified qualified tradesman is now deleted. What is the reason for the deletion of this clause?

Hon. Mr. Lang: It was brought to my attention that there had not been that many courses made available for people to get the necessary accreditation and it was my contention that from that point of view we should ensure that the courses are made available and publicized so that people in the business could take the course and get accreditation.

Mr. Kimmerly: Will the Minister ensure that as a matter of policy the necessary inspections are made in order to ensure the safety of maintenance work possibly being done by unqualified people?

Hon. Mr. Lang: I should caution the member opposite that the people who are bidding are scrutinized very closely to ensure that the people involved either have the academic backgrounds or the experience before a contract is let. I think it is safe to say that we do everything that we possibly can to ensure that the job is done properly.

Mr. Kimmerly: Supplementary to the Minister of Education: in view of the need expressed a moment ago, is the Minister of Education looking at increased places for an oil burner mechanics course at Yukon College?

Hon. Mrs. Firth: Yes, we are in the process of discussing it.

Question re: Withholding information

Mr. Porter: My question is to the Minister of Municipal and Community Affairs. Is it a policy of the Minister of Municipal and Community Affairs to withhold information from opposition and independent MLAs which is provided as a matter of course to Conservative government and back-bench members?

Hon. Mr. Lang: I guess it would depend upon the information the member is looking for. He knows I am always open and if he ever corresponds with me, I am sure I will respond to his letters or his telephone calls — if he ever calls me.

Mr. Porter: I have copies of letters which were sent by the minister to local authorities and communities throughout the Yukon. Since copies of the letters were sent to Conservative MLAs but not to opposition and independent MLAs representing the ridings in which the respective communities are located, could the minister explain his policy in this regard?

Hon. Mr. Lang: I make every effort to ensure that the members on the north side of the floor are very well informed.

Mr. Porter: My final supplementary, then, is — because I am getting nowhere with this man — directed to the government leader. Is it the policy of this government to inform and consult only Conservative MLAs regarding government plans or projects which are relevant to particular ridings in this territory?

Hon. Mr. Pearson: No. A good example is Cyprus Anvil. I spent a considerable amount of time consulting and discussing the problems at Cyprus Anvil with the member for Faro.

Mrs. Joe: I have another question for the minister responsible for justice. The government leader stated, in answer to my written question, that the competition for the position of assistant deputy

minister was cancelled because, of the 22 candidates, only one person qualified. Has the minister any reason to believe that further advertising will attract more qualified applicants?

Hon. Mr. Pearson: I believe that I have answered this question before for the hon. member at a previous Session. We are not advertising for a deputy minister of Justice at this point in time because we feel that we have to do some reorganization work and we also want to make sure that when we do advertise we have a proper and complete job description to offer for the job. We are seeking expert advice on this matter and the results of that expert advice should be available soon.

Mrs. Joe: Could the minister tell us the status of the present deputy minister?

Hon. Mr. Ashley: The present deputy minister of Justice is on sick leave.

Question re: Agriculture

Mr. McDonald: I have a question for the minister responsible for agriculture. As the minister knows, it is the mandate of the Agricultural Development Council to advise the government on, among other things, the marketing of agricultural produce in the territory. What recommendation has the council made to the minister in this area, and what initiatives is the minister planning to take?

Hon. Mr. Lang: To date, there has been little work done in this area. Over time, I am sure there will be. I spoke very informally with the members of the council the other day; I think it would be very advantageous for us to perhaps take some time and go to Delta to have a look at what exactly they are doing there, in Alaska. It would perhaps give us some further ideas of what we could do here in respect to this particular industry.

Mr. McDonald: The report of the Special Committee on Food Prices recommended that the Government of Yukon make a one-time grant available to encourage the start-up of farmers' markets in Yukon. Is the government planning to provide such a grant, and if so, how much will it be?

Hon. Mr. Lang: No, we are not at the present time intending to give a grant of that kind. I intend to have some discussions with the association to see if it is interested in setting up a farmers' market garden, and if they are I would be more than prepared to sit down with them along with the City of Whitehorse, which in all likelihood would be the area in which it would be first tried, to see whether we could work out some sort of arrangement to get it off the ground. I think that the impetus should be coming from the farming community itself, not from the member opposite.

Question re: Canada-Yukon Tourism Agreement

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

Last week, the minister told me that the Canada-Yukon Tourism Agreement was a sub-agreement of the General Economic Development Agreement still under negotiation. Since the tourism season is almost upon us, there is some urgency that the agreement be in place shortly if it is to help with this year's season. Can the minister advise me what stage the negotiations are at on the sub-agreement?

Hon. Mrs. Firth: The negotiations regarding the Canada-Yukon Tourism Sub-Agreement are completed; our negotiations were completed some time ago.

Mr. Byblow: Can the Minister of Tourism or the government leader advise me, then, when we can expect an announcement respecting the funding under either one of the two agreements?

Hon. Mr. Pearson: The hon. member seems to be having a hard time understanding what has happened here.

According to the Minister of Indian Affairs and Northern Development and the Department of Indian Affairs and Northern Development, there will be no funding under the Tourism Subsidiary Agreement until the Economic Development Agreement is signed. The Economic Development Agreement is the vehicle that allows the Tourism Subsidiary Agreement, which is a sub-agreement of the Economic Development Agreement, to flow.

When I was last in Ottawa, I spoke to both the minister responsible for tourism in the Government of Canada and the

Minister of Indian Affairs and Northern Development in respect to the desirability of seeing whether we could not get something going in respect to the Tourism Sub-Agreement prior to the signing of the Economic Development Agreement simply because our tourism season is going to be upon us very, very quickly.

Mr. Byblow: I thank the government leader for his explanation and will ask the Minister of Tourism whether or not she can indicate whether this year's funds, when available, will be equally available to all regions of Yukon or just to specified regions, as under the previous sub-agreement?

Hon. Mrs. Firth: The member opposite will see it when we get it.

Question re: Snow tires

Mr. Kimmerly: I have a question for the minister responsible for government services, relating to public safety.

On October 22, a death occurred at Kilometer 243 of the Mayo Road and, on the 18th of January, the coroner's jury made a recommendation about the supply of snow tires on government cars. Was the recommendation studied by the department and is any action contemplated?

Hon. Mr. Tracey: I would like to clarify one thing for the member opposite. The car that was involved in that accident was not a territorial government car; it was a federal government car. We do put snow tires on our vehicles in the fall for the winter period so I think if the member has any questions regarding government vehicles, he should talk to the right people, which is the Department of Indian Affairs and Northern Development.

Mr. Kimmerly: The wording of the coroner's jury recommendation specifically mentioned territorial government cars as well as federal government cars. Is the policy of supplying snow tires on territorial government cars changed as a result of the jury recommendation?

Hon. Mr. Tracey: No, it has not. We have always put snow tires on our cars in the fall and, if the member across the floor knows of any vehicle that does not have them, I would like to know about it.

Mr. Kimmerly: A more technical question about all-weather radial tires: is there a determination by the department that all-weather radial tires satisfied the snow tire requirement?

Hon. Mr. Tracey: Not to the best of my knowledge, but if all-weather radial tires are considered equal to regular snow tires, I would think that, yes, they would be considered equal.

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Question re: Fire protection insurance

Mr. Porter: My question is directed to the Minister of Municipal and Community Affairs. Having established the fact, with his help, that fire insurance is available to all residents of the Yukon; however, recognizing the fact that those people living in rural areas experience a more difficult time in obtaining fire insurance as opposed to their urban counterparts, what is this government prepared to do to make it easier for rural residents to receive fire protection insurance?

Hon. Mr. Lang: One would almost think that the member was the municipal affairs critic. I should point out that it is my understanding that, if one goes to the insurance companies, that one can get the necessary fire insurance as long as one complies with the guidelines. I do not know what else you expect the government to do. In my view, the arrangement presently appears to be satisfactory.

Mr. Porter: What the government can do is make available, in the communities, particularly in communities...

Mr. Speaker: Order, please. I believe the hon. member is now making a speech.

Question re: Letters regarding community development

Mr. Porter: A question to the same minister on a different subject, a subject we covered earlier: I have here copies of two letters concerning virtually the same things with respect to community development, to the LIDs of Haines Junction and Watson Lake. The Haines Junction letter is "cc'd" to the member for the area, Mr. Brewster, however, the one to Watson Lake is not

carbon copied to the member for the area, who sits as our Speaker. Could the minister explain the discrepancy?

Hon. Mr. Lang: Probably because the member for Klune asked for a copy.

Question re: Deputy minister of Justice

Mrs. Joe: I have a question to the government leader further to the status of the deputy minister. Since he has been on sick leave for a great length of time and since the department is in need of the expertise that the position of deputy minister has to offer the department, can he tell us if it is the intention of the deputy minister to return to this department?

Hon. Mr. Pearson: I am quite surprised at the line of questioning from her in that I am sure that she is aware that she is asking very personal questions about a longstanding employee of this government; one of the longest standing employees of this government, who has had the misfortune of having to go on extended sick leave.

There are some rules that apply. Number one, we cannot hire someone to replace someone else who has a job. Mr. O'Donoghue and his status with this government is going to have to be resolved before we can hire a deputy minister. That is why we are not advertising for a deputy minister at this point in time. That is why we have never advertised, by the way, for a deputy minister. The advertisement that she was talking about was for a legal advisor, not a deputy minister of Justice at all. It was for another lawyer to work in the department.

Mr. O'Donoghue's position is one that we intend to protect for as long as is necessary. There are an awful lot of procedures that have to be gone through and some very, very hard decisions that are going to have to be taken both by Mr. O'Donoghue and by this government with respect to his future employment with the government.

Question re: Mayo airport passenger terminal

Mr. McDonald: I have a question for the minister responsible for municipal and community affairs. Early last November, I asked the minister if the Yukon government had made representations to Transport Canada to have the Mayo airport passenger terminal facility upgraded. He took notice of the question then; can he answer it now?

Hon. Mr. Lang: I will have to go on memory; it is my understanding that representation was made and I believe the possibility of a terminal in Mayo would be scheduled for 1985, but that is tentative.

Mr. McDonald: Has this government made any design recommendations to Transport Canada and has it received any commitments from the federal department regarding the priority of the project and, perhaps, even a completion date for such a project?

Hon. Mr. Lang: As I indicated earlier, there had been some discussions and I believe it was tentatively scheduled for construction in 1985, if the money is made available. This all depends on annual negotiations with Transport Canada. I should point out that they have been most cooperative as far as a branch of the Government of Canada is concerned. We are quite pleased with the coordination and cooperation that we get from that particular department and I have no reason not to believe that, within the foreseeable future, action will be taken on that project.

Mr. McDonald: A two part final supplementary; first of all a residual question from the last question: have there been any design recommendations made by this government to Transport Canada? Secondly, will this government be upgrading the airport apron to prevent the quagmire conditions that occur regularly every spring?

Hon. Mr. Lang: I will have to take notice on the first part of the question as far as design is concerned.

As far as the apron is concerned, this spring we will be putting further gravel on which, as I understand, is an annual procedure. There has been some engineering done in respect to the engineering of the airport as far as the runway and apron are concerned; that has been completed and the next question is money. We are discussing the question of financing with Transport Canada.

Question Re: Ottawa Citizen advocacy advertisement

Mr. Byblow: I have a short question to the government leader.

Can he tell me whether or not this government has made any contribution towards the cost of an advocacy ad in the *Ottawa Citizen* on behalf of an appeal by an organizing group from Faro?

Hon. Mr. Pearson: Short answer — no.

Mr. Byblow: Is the government leader aware of a request for assistance towards that appeal?

Hon. Mr. Pearson: Yes, I answered the letter written by the hon. member to me. I signed it, I believe, this morning.

Mr. Byblow: Does this government support the appeal for assistance contained and sought in the ad by the organizing group?

Hon. Mr. Pearson: No, financially we have not supported it. This is a free country; people are quite free to buy advertising and do what they will. I am a bit concerned though that the ad is purported to be signed "The People of the Yukon", and I am not confident that this particular group, has that competency.

Mr. Speaker: We will now proceed to Orders of the day.

ORDERS OF THE DAY**GOVERNMENT MOTIONS****Motion No. 8**

Mr. Clerk: Item no. 2, adjourned debate, Mr. Kimmerly.

Mr. Kimmerly: I am going to divide the remarks I make into two general areas. The first one is a general analysis or reaction, if you will, to the the government's general statements about its objectives in the budgetary policy of the government. The second part is a reaction specifically to the tax measures announced in the budget.

Firstly, looking at the objectives of the government — they are clearly stated in the budgetary address as generally three: firstly, an objective of a balanced budget; secondly, a ceiling on the growth of the public services; thirdly, a maintenance of normal levels of service from the government and the departments of the government. I wish to comment individually on those in a general sense.

First of all, as to the government's stated objective about a balanced budget, it is obvious, looking at the documents, that in a technical sense it is a balanced budget. It is only a balanced budget because the last line on the revenue side is a transfer payment from Canada, a very large amount — \$72.8 million, as it is forecast. In any real sense of the word, or in the commonly understood sense of the word, "balanced", this is not a balanced budget. The expenditures of the Yukon Government are roughly three times the revenue of the government acquired through Yukon sources; the other two-thirds comes from the federal government.

Those are very general figures of course. Really, the government is propped-up by a very large transfer payment from the federal government or from the taxpayers of Canada as a nation. And it is interesting, and I submit, alarming, to look at the size of the transfer payment. The last year's forecast of this transfer payment is approximately \$50 million; this year the budget is a forty-four percent increase over last year's forecast.

Looking further, the last year's forecast is only the figure that it is because of a supplementary funding of something over \$7 million and last year's budget in fact was for a transfer payment of only \$43 million, so the plans of the government, this time last year, were that the federal transfer payment would be \$43 million; this year, the plan is the transfer payment is \$72.8 million, but that is an increase of 69 percent in one year. Another way to look at it is that the cost of this level of government, i.e. YTG, for every man, woman and child in the territory, last year was just over \$5,000 — that is, \$5,000 per person. Using the government's own figures about the projection in the population change and the projected expenditure, the cost per capita this year, at the end of the year, is going to go up to approximately \$7,000 for every man, woman and child in the Yukon. That is a per capita cost increase of 40 percent and that is alarming; in view of those facts, I say that, realistically, this is not a balanced budget. It is, in a bookkeeping sense, but only that. It is a budget which forecasts a tremendous increase in the dependency of the territory on the federal taxpayer, and we should

recognize that because it obviously is going to affect us in the future in all the areas of our endeavours.

Secondly, the last two objectives call for a ceiling on the growth of the public service and the maintenance of normal levels of service. All of this in an economic atmosphere where businesses of a necessity are revising and reorganizing their level of service in order to accommodate the changes in the economy and changes in the population. The Yukon government, in an unbusinesslike fashion, is ignoring the real economic situation and the real population change and conducting itself as if it simply did not exist. And I say that is irresponsible.

Given the very large increase in dependency, or the increases in the federal transfer payments, we ought to be asking ourselves: what is all of that for and is it justified? We say, on this side, that very large federal transfers to the north are justified provided the money is spent for the development of the territory and not if it is simply maintaining a system which was relevant two years ago and is no longer relevant today.

The very large federal payment, which is approximately two-and-a-half times the level that the provinces spend, is justified if it is an investment in the future, if it promotes the development of the regional Yukon economy, and if it creates jobs for our young people, especially. It is not a justified expenditure simply to maintain the structures planned for two years ago which are now no longer appropriate.

The economy of the territory is obviously in very bad shape, and the government recognizes that in its own statements. What the budgetary policy of the government ought to do is show some leadership in the establishment of a recovery plan for the failing economy. The existing level of government service is inappropriate to the present economic and social situation.

Secondly, going from the general to the more specific, there are major tax changes announced in the budget. The stated purpose of these tax changes is to give a break to business and the stated purpose for doing that is to assist in the maintenance of jobs. Well, what was occurred is that there was a 50 percent tax decrease for business. Probably small business will be defined as the federal government defines it in the federal *Income Tax Act*; the specifics are not absolutely known.

What that does for a business which is now failing and for a business which is now breaking even in the territory is absolutely nothing. It is of absolutely no benefit. The only benefit that can be achieved through that measure is that an already profitable business will become more profitable because it pays less tax. They are not talking about the salaries of the employees or the business owner; they are talking about profits. It is a profits measure designed to assist profits, as opposed to assisting businessmen.

The direction ought to be to protect and assist failing businesses and marginal businesses in order to keep them here, in order to save the jobs, not simply to make a profitable business more profitable.

The money that is given back to business, I will say, or the cut in the business tax, along with the break for businesses contained in the change in the school tax, is all recouped at the expense of the little guy, of the ordinary taxpayer. By my calculations, a family with an income of \$20,000, with two children, living in a home worth approximately \$55,000, is going to pay \$75 a year more in tax, consisting of \$40.46 in income tax, \$18 more in the medicare tax and \$16 more in school tax. The money collected from individuals is going to be used to make already profitable businesses more profitable.

The situation should be the reverse in order to give the consumer more spending power and in order to stimulate the economy. A more strenuous, and more important argument, is a moral argument and an argument advocating social equality and social democracy.

Within the jurisdiction of the government, within the financial constraints and constraints imposed by the present economic situation, this government has rearranged the income tax structure in order to take money away from the average wage earning Yukoner and has put it in the pockets of already profitable businesses.

There is no stimulation to increase jobs. There is no recovery plan. There is an unjustified and unjustifiable emphasis on

maintaining the government structure. The emphasis of the budget ought to be to service the dire needs of individuals in this time of depression in Yukon and instead the government monies are used to prop up the existing government structure which is the wrong priority.

Amendment proposed

Therefore, I move, seconded by the member for Faro, that motion number 8 be amended by deleting all words after the word "that" and substituting for them the following: "this House regrets the lack of a recovery plan in the budgetary policy of the government."

Mr. Speaker: It has been moved by the hon. member for Whitehorse South Centre, seconded by the hon. member for Faro, that motion number 8 be amended by deleting all words after the word "that" and substituting for them the following: "this House regrets the lack of a recovery plan in the budgetary policy of the government."

Mr. Byblow: I would firstly apologize to some extent to the House for having a rather failing voice today, but I had the good fortune to spend the better part of the weekend cheering a winning Faro Oldtimers hockey team to a championship over Alaska and Yukon.

The motion that we have before us calls upon us to approve in general the budgetary policy of this government. In the amendment proposed by my colleague we note a major failing of the budget.

To be agreeable with the original motion, we would have to agree that the initiatives that this budget is proposing are all correct. We would have to applaud the leadership and the direction that this government is providing through its budgetary planning. At the same time, we would have to endorse the philosophy as advocated by this government through its budget. It was not very long ago — in fact, only last November — that I recall the Minister of Municipal and Community Affairs telling us that it was good financial management that permitted his government to bring in an edited budget, as he described the revised budget from the spring, without any tax measures. Then I recall, prior to that by some six months — the last spring election — how the Tories would be the only ones to advance good government and it would only be the NDP who would ever raise taxes.

Well, today it is a year later. It is four months since the last budget. We have a government that has received a \$7,000,000 bail-out on its last budget. It has imposed "six-and-five" legislation on its employees. It is receiving an additional \$22,000,000 transfer payment over last year's total — that is, over the inclusive amount of the \$7,000,000 — from the federal government and we have tax increases all around.

Oh, it is only right to be fair. We do have some tax breaks and I want to talk about those in a while. When I examine this much healthier financial situation facing this government than was the case only months ago, I am truly pleased; pleased that we have at least \$30,000,000 more, as my colleague has pointed out, through federal grants, than we had last November. Then, when I begin to examine this government's calculation of its reduced revenues and its recoveries and its own increased expenditure to account for some of the use of that \$30-odd million dollar boost, I sincerely have to shake my head.

The wisdom of the financial management that calls for tax increases to all Yukon residents, all Yukon constituents, in a year such as is facing us now, truly escapes me. These tax measures, when you combine them with the absence of any significant economic initiative, plan or program, make me sincerely wonder about the financial management, and I will expand on that.

¹⁶ I think, further to what my colleague has pointed out about analyzing some of that, the problem goes much, much deeper and is much more serious and complex. It is much more than simple financial management. I think this government has a philosophical problem about its place in the economy and its place in the marketplace. That is probably where we fundamentally disagree.

I seriously question this government's ability to put together a long-term economic plan. No question that it is a difficult exercise; no question that there are aspects of economic importance outside its control; but that initiative must be there. I believe this government has taken the philosophical position that it is not

responsible for the economic wellbeing of the territory. I do not think it believes that government should have any functional economic will or a directional role to play in the economy. In the current recession — and in many cases, it is a depression, certainly in the community where I come from it is — this economic scenario that we face, I believe, is a result of a distorted economy that continues to breed unemployment and the personal hardship that governments tend to only offer bandaid solutions to. That is why I am talking about initiative, long-term planning and thrust. I think we have a philosophical problem here.

What do governments tend to do in this bandaid approach? — provide a little grant here, some make-work project over there; a tax concession to this group or that company; and they extend some bail-out money elsewhere. That is all that probably can be done if you are not prepared to take a major step. As ever before, in this process, in this approach, we continue to support the growing movement to place economic control into the hands of a few over whom government has no control. Government is powerless to respond.

Adding to this immersion pattern, and the budget demonstrates this, is that public expenditure at personal cost to the individual consumer must promote private investment. I am not suggesting that private investment incentives are wrong in the economy; what is wrong is to take from the small consumer to help the large outfit that does not require the help. In other words, as my colleague has pointed out, you take from the little guy to help the big guy. It is okay to help, but it must be in a pattern of balance.

That is what happens in this budget: the lack of a balance or the lack of an economic recovery plan. I think my colleague has pointed that out; we see an increase in personal income taxes; we see an increased cost for health care to individuals and to families; it makes owning property more expensive. But it does give a break in profits to companies in a position to have profits. I call to attention the government's own statistic that 1983 will see a 600 percent increase in bankruptcies in small business over 1981. I ask this government: what about those small businesses that are facing bankruptcy or receivership, and who are reaching the end of the line?

Let us talk about what the budget did for the small struggling and collapsing businesses. It did, as pointed out in the Throne Speech, reduce the school tax. Now this tax is altogether a misplaced tax in the first place; it bears no resemblance or relationship to either the cost for the service or the universality of the service; but, yes, the government did reduce it by 0.13 percent of assessed value the amount of school tax that had to be paid by small businesses. To a small business having an assessed value of, say, a quarter of a million dollars, it gets a break of about \$300.

But, I want to ask about this: in terms of what I was talking about a moment earlier — the pattern that is emerging, the direction that we must be taking, the foot forward in the economic scenario that governments must take — what is really happening in this process is that as governments give a tax break on property to small business, it has taxed the dickens out of an already handicapped consumer in the territory. Who normally spends at the small business? The consumer on whom the business relies for survival. And the net shrunken purchasing power of the consumer does not come close to offsetting the tax break for small business, not to mention the psychology of restraint and hardship that further reduces the gross revenue of the small business.

¹⁷ I think it boils down to a fact that the small businessman is hit harder than ever and the government probably thinks that it is really helping the struggling small business. I think what it is really doing is helping the business that probably does not need the help because, if it has profits, it does not necessarily need further profits. Oh, it is nice to have and I am sure that all profitable businesses are very appreciative of this approach, but I believe that the economic plan goes out the window if that is all you are intending to really do.

As I have explained earlier, the purchasing power impact of the taxation increase, on whom the small business relies, in no way offsets this tax break that the government has provided; especially, this balance is worse offset when you force the consumer to pay

more for this help that the government is providing to the business.

I do agree with this government on several things about small business. Small business is an economic backbone of most of our communities; they do provide a wide range of goods and services to our lifestyle and small business does function in a free enterprise spirit that is fundamental to individual initiative that everyone is entitled to.

It is when that free enterprise capitalist system mushrooms into a marketplace control and threatens the security, the quality of life and the hard fought for freedoms and benefits that governments must respond to.

The government seems to find it amusing, but this is a very serious business. When governments participate to support the rampant, economic holocaust that we are in, then I submit that there is something seriously wrong.

Now, we are still, as I said earlier, looking at bandaids. I know, I said earlier, that this government has handicaps of its own in resource control, but there are many initiatives that it could be promoting; initiatives that do create permanent jobs, initiatives that are an investment in the future, as my colleague outlined, and initiatives that not only protect but expand upon the resources that we do have and have under our control.

Just extending on the comment on small business; why, for example, could not the tax break to small business not take the form that encouraged investment? There is no guarantee that that break will produce the kind of investment this government feels there probably will be. Why could not small business assistance money be promoted in the areas of manufacturing and processing; stabilizing and diversifying our economy that I am sure this government would agree with? What about special assistance, not necessarily in the form of money, to businesses facing receivership? Why not stepped-up capital works programs that contribute to future needs in our public works and public infrastructure? What encouragement do we have in the renewable resource sector? What of serious and long-term development in tourism facilities and attractions? What are we really doing of substance in agriculture? What of this government's very strong potential of direct equity participation in the marketplace to help direct and control the wild posturing and the wild positioning that is taking place to date? That is the probably the fundamental, philosophical problem.

I could cite more lists of what this government could be doing. What I believe is revealed here is really a lack of any coherent economic strategy; any long-term economic plan, either towards recovery or in the long-term.

I suspect that the government leader would tell me that the anticipated \$25,000,000 Economic Development Agreement will address this and remedy the concern about the marketplace. I recall this government's strategy for a recovery program, a set of booklets brought out last September. I recall also that it was a recommendation of that strategy for recovery that the agreement, the GDA, be signed before March 31st of this year. As we heard earlier today in question period, that agreement seems to be in some form of limbo.

My colleague outlined his concerns about the objectives that were stated in the Throne Speech and I just want to touch briefly on some of the objectives that were touched on by this government in the strategy for recovery that they proposed last fall.

The government suggested that it would want to minimize employment losses, that it would want to create new employment opportunities, that it would want to minimize to the extent practical the economic hardship being experienced by Yukon residents who have become unemployed as a result of our economic problems. Of course, their objective was also to limit any further erosion of Yukon's economic base.

18 Something I want to talk about in a moment is the further objective they emphasized; the long term stabilization of Yukon's economy, as has been fundamental to any component of an action plan, of an economic plan or an economic development program.

In viewing the thrust of this budget, one has difficulty in aligning this government's previously stated objectives to the demonstration of how the money is actually being spent. I think it should be made very clear from this side of the House that arbitrary public service cuts are not being advocated in answer to the economic situation

facing us. I think we do have to broaden the traditional sense of the public service description, beyond the concept of a civil servant in the territorial government building here in Whitehorse.

In the past fifty years, people in Canada have made many improvements and significant gains in their security, in their style of living, in their benefits; always in a struggle, though, with those who would tap our collective resources to elicit as high as possible a personal return as the system would allow. Advocates of social democracy won the benefits of things like family allowance, like unemployment insurance, like improved pensions, like universal hospitalization and medicare, and protection for workers. I believe this is where we do differ and our answer to the economy facing us is that we believe in marketplace participation.

We suggest that crown corporations being properly administered and accountable to the public interest is a principle of our belief, and more than ever, the rights of employees to participate in determining their conditions of employment is a fundamental position of our party.

In that context we should be redirecting our priorities, our direction and our goals and our planning. We are talking about an estimated five thousand population decrease. Assuming that is accurate, we are also talking about maintaining government services and we are talking about economic planning, and we are talking about marketplace participation, and we are talking about what this government should be doing with the money that it has.

It seems pretty obvious that the traditional sense of the public service may very well have to face some realignment down the road. It has always been a changing and a molding base of employees, but this government cannot lose sight of the current economic difficulties and its ability to effect development, to repriorize and to participate in that marketplace. There is a close connection between these two concepts. What it has to develop in the first instance, is a close communication with its employees. They are willing to talk and consult; they are willing to help this government if this government is willing to sit down and take a serious look at the economic scenario. They took a nine-day fortnight and I am sure that they would look at this government's possible participation in a more direct equity sense in the marketplace to help us shape our destiny.

We have talked in circles about equity participation. I want to get very specific on that subject. I want to talk briefly about Cyprus Anvil.

I do not think anyone in this House recognizes the uncertainty and the insecurity created by the situation in Faro. Again, we are letting the same marketplace forces that led to our present dilemma continue to dominate our economy. I believe everyone agrees that the mine is a cornerstone to the Yukon economy. No one is really prepared to stop it from being taken out from under us and out of our total possible or potential control.

I believe that assistance in the first instance to Faro is absolutely necessary. I believe the government does too, but it is the form of that assistance where we differ.

I think the last ten months has made it abundantly clear that Dome Petroleum is not necessarily a suitable or a responsible parent to Cyprus Anvil. I think that there are serious production and marketing problems. There is concern over energy costs, over transportation, money, and the management of that company. There is no question that Dome Petroleum is under suspicion of holding the Federal government to ransom with the people in Faro as hostage, and Yukoners at large, in the ongoing negotiations. The perilous financial state that Dome is in is an inhibiting factor to Cyprus Anvil. I think if Yukon and Faro are to enjoy any kind of economic prosperity in the long term we must adopt a very careful economic planning policy.

19 I think government leadership is desperately required and a planned economic development scenario is necessary if we are going to have a viable future. The situation facing us today — the high employment, the unstable communities, the stagnation of our economy — clearly has to be turned around. It is a global situation.

The turnaround, I believe, could begin with a Cyprus Anvil takeover by a Yukon development corporation. This is a longterm answer that will help us in the sense of involving territorial,

possibly community participation and employee participation. We already have suggested the potential of CYI participation. There could even be a connection with the marketplace where the ore is sold. It may include participation with private development.

It may have any one of a number of different structure scenarios, but then, at least, we would have the Cyprus property more accountable to Faro and to the Yukon. I think for 13 years we have witnessed that mine enrich the health of the Yukon economy and I think we would prosper in the long term even more from the rich mineral potential of that area.

Local control would help to develop the kind of solid policy and direction in the management of a resource venture that is so important to the territorial economy. Public management of a resource permits the kind of local influence in the problem areas that are facing production and marketing.

It is probably a full-scale operation that all of us would prefer to see and, in the interim, we have to set in place a kind of structure that would take us to that eventuality. I had hoped that I would not have to try to convince anyone in this House, or the Yukon, of the importance of that particular mine. I think the government statistics that have been produced indicate that there are over 1,400 direct jobs impacted from that mine's closure and probably as high as 2,000 indirect jobs. When you consider the population totals affected, it is easy to see where the government comes up with its 5,000 estimate.

As I said many times in the past, the impact on the small business community from that operation is much more enormous than what meets the eye on the surface. The suppliers of goods and services to that mine and indirectly to the community and the region are quite phenomenal.

I have cited, in the past, the impact on NCPC of the mine closure and the energy costs. I think it was something of a shock to me, during the course of researching the Cyprus Anvil scenario and the recent Ottawa lobby, to discover that, over a period of two years, if Cyprus Anvil would not operate there would be a direct cost to the federal and territorial governments of some \$61,000,000. That came as quite a shock and I do not think at any time that any of these figures respecting the impact of Cyprus Anvil speak for the untold tragedy and the hardships of the many people in Faro who face no job, no money and really nowhere to go as a result of that mine's closure.

It becomes more important than ever that some very serious longterm planning take place; some deep and serious thinking about where our economy is heading. I would prefer to see equity participation by government in the Faro mine, because I think that would improve the economic stability of the region. I think it would provide a very useful planning tool in the whole resource sector and I think it would allow for a public voice in resource development policies in Yukon. I believe that government participation, in an ownership sense, could reduce the conflicts that we have to face and resolve in power, transportation and policies in general.

I think I have heard the suggestion from the side opposite that if Standard Oil were still in ownership of the mine, it would be operating today. I do not think that is anywhere near a reality. If the government owned Cyprus for the past 13 years, we would not be facing the mess that we are in. That is the bottom line.

I have some concerns about the government leader's suggestions in the last recent while that there was never any confusion surrounding their position on Cyprus Anvil between this government and Ottawa. I think, very politely, I want to say that I know that there was some confusion.

☞ The suggestion that it existed only in this member's mind is ludicrous. I have before me a telegram sent to the government leader from the Minister of Indian and Northern Affairs in which he raises the very prospect, or the very serious concern, about this government's posture and conversations with his colleagues about this government's position on Cyprus Anvil, and in fact called on this government to clarify its position and its role that it intended to play in the continuing efforts to reopen the mine.

I think, on a very serious note, the more than healthy financial situation facing us today, as advocated by this government, is another matter of some concern in some federal circles, and perhaps

has precipitated some reluctance about assisting the mine. I think what it amounts to is that if this government is posturing that the territory will survive quite well without the mine, then why help it. I think we should be much more aggressive and much more participatory in our resources, and that is where it could begin.

I think probably, in closing, I would want to emphasize that we need Cyprus Anvil reopened for the long term. I think it is contingent in any economic plan and certainly the government is in full agreement on that. The finest way to ensure that is to demonstrate a commitment to equity participation, to ownership and control, as the basis for future development in our resource sector and the basis of economic development in the territory.

Amendment defeated

Hon. Mr. Lang: I listened with a great deal of interest to the comments that came from the two members opposite in respect to what they would do if they were the government and were in charge of the budget. One member this morning, on the air, said he would cut the number of civil servants down and then the member for Faro this afternoon said that he would develop crown corporations and hire people. Then the members opposite, some time ago — and even raised it today — opposed the principle of putting a ceiling on the public service for the purpose of negotiations, and at the same time say that now we are spending too much money in the budget that has been set before them.

I want to point out to begin with that they seem somewhat confused. This is the operation and maintenance side of the budget, not the capital side of the budget — which is a document that we discussed and debated last fall, as far as the capital works of the government was concerned. I should point out further that I cannot help but kind of sit back with amazement at the comments that were made by the member for Whitehorse South Centre in his obvious attack upon small business, and the thought that if a small business is profitable, therefore the inference is that it is not good for the community. Well, I am here to tell you that if a business is not profitable, it does not stay in business. That is the long and the short of it, and it is very interesting to note that in the Yukon today 40 percent of the people employed as of December 31st, 1982 were employed by small business.

Now, I think that we, as members in this House, have to recognize that small business is the backbone of our economy, not only here but across the country. I think it is important that, at this time, we should be taking whatever measures, within our capabilities, that we can to recognize that. I think that what you have before you is a budget that reflects that philosophy: that it is important that we not only help small business but also are seen to be helping small business for the purposes of further investment in Yukon.

It would seem to me that with the views and the philosophy being put forward from the other side of the floor, they would get rid of small business and they would start up crown corporations, and it would be all sweetness and light.

I have to ask the member for Faro today, did he get his mail? That is a crown corporation. The member for Faro, when he was speaking earlier, also recognized — in fairness to the gentleman across the way — that the real problems that we are confronting in the Yukon are not totally regional or national, but, more importantly, are international questions in respect to the metal market. Is anybody prepared to buy it? Obviously, at the present time, that is not the case.

We have designed our budget along the principle that we should be helping small business. We should also put monies aside so that, if we can, in concert with the Government of Canada and Cyprus Anvil, see whether or not we are successful in getting a stripping project for the course of the next two years, which is a million dollars. And if the members opposite say fine, they do not want the million dollars, stand up and say it. You cannot have it both ways.

When you take a look at the budget that is before you, as far as any increases are concerned, let us examine what we are talking about as far as changes in the tax structure.

What the two percent increase in property tax means to a person making \$40,000 a year is an increase in total of \$160 a year, and that is a single individual. If one is married and has two dependents, it is \$135 a year.

The point is that the cost of government has gone up. We have to, at the same time, continue our services, even if we reduce them, which, if the present economic climate exists, probably within the next year or so that is going to have to happen; people are going to have to accept it. The thing is that with that we can continue to function and put monies aside for such things as, as the member for Faro has indicated: the Cyprus Anvil situation.

If you take a look at the other measures that are before you, in respect to the realignment of property tax, I have to say that we have put into effect something that the leader of the opposition has put forward on numerous occasions: that property tax be tied to the service that an area is getting. Well, we have done that and the two members who spoke never referred to that at all.

Basically, I am going to give the members opposite an outline of how it was done. We took the general services that are provided across the territory and, in some cases in the unorganized communities, such as mosquito control, street lights, community streets, police services, health station, ambulance, fire protection, sewer, water and water delivery, and calculated them on a point schedule and put all properties into three categories in respect to the general application of property tax. I think is a fair to try and associate the property tax one pays to the services that are going to be provided.

Along with that, as indicated in the budget speech, we made it very clear that in the recreational subdivisions we are going to be providing better maintenance in respect to the streets and the roads into those areas, in order to accommodate those people who not only want to utilize them for summer purposes, but, more and more, utilize them 12 months a year as they go cross-country skiing, et cetera.

I think the other point that the members opposite always seem to forget is the fact — and they agreed with the policy — that we would tie a percentage on to our overall educational budget in order to reflect an amount in the property tax. That was done — I recall doing it three years ago — and was set at 11.5 percent of educational costs, and I think that is fair. I think it reflects to all of us as property owners that there is a cost for education and we have to temper our demands on the educational system and, if we do not, then it is going to cost us more.

We had a 0.04 percent increase overall across the territory, as far as our school tax was concerned, which I think speaks well of the budget and also the financial management within the Department of Education to keep their costs down when, at the same time, they are facing heavy inflationary costs in respect to the overall cost of fuel, et cetera, and also, I should add, federal tax, which is affecting us all.

I think it is important that, if you take a look at the budget and review and analyze what the members opposite not only said today, but also approximately six months ago — they even alluded to it today, as well — the negotiations with the Government of Canada. If you take a look at the budget, the Government of Canada has come to our assistance, and there is no question about it: we do not have the revenues that we had a year and a half ago. Obviously, one does not have to be an economist to figure that out. But I always thought that is why the national government is there: to give you assistance when you are in a very serious situation, which we face in Yukon today.

The members opposite said six months ago that, in view of our problems in respect to land claims, or whatever the issue of the day was, that we would not be successful in our negotiations. Well, we were successful. The member for Whitehorse South Centre is saying that maybe we should not have gone and negotiated the money.

Well, you cannot have it both ways. All I ask from the side opposite is consistency. I listen very closely to what they say. I try to figure out if maybe there is a constructive idea; maybe there is something that can be put into place that is going to be of benefit to the people of the territory, but it seems to me that they want to talk out of both sides of their mouths. On one hand they want of the civil service and, on the other hand, they want more Crown corporations, and on the other hand they oppose any idea of cost cutting measures as far as government is concerned and, at the same

time, they then say that they will cut certain things out of the civil service.

I am going to put this challenge to you: in the budget speech we indicated that we are reviewing the various functions of government to see what perhaps could be contracted out. I say to the member opposite that I am going to be here the day he stands up and applauds this side of the House for taking certain actions, because that is what, philosophically, the member for Whitehorse South Centre said, and he said also that he had full support of his caucus. It should be a very short Session when that takes place.

Going a little further, I should point out that the other principle in the budget that you have before you is the principle that the size of the civil service should be kept down to a minimum. We have done that; we have accomplished it. I should point out that various other departments, in view of the situation we are facing, are under a lot of pressure.

I should indicate, in respect to our casualls, our complement is very similar to what it was last year with some reorganization in respect to the total government.

I referred earlier to the support that we expect to get from the other side in perhaps contracting out some of the services and maybe cutting back in some areas which we may well decide to do and I am going to look forward to their support.

In helping small business we cut the income tax; the corporate deduction which was cut in half to five percent. The cut in school tax we felt recognized two things: first of all, their immediate financial problems and also the fact that anybody who has small business here lived here and subsequently pays school tax on residential property as well.

I should point out that the member for Faro said that we should be helping small business directly — we are. The members opposite have short memories. As indicated in the budget speech, we are going to have the student employment assistance program again this year, which is designed in part to help small business. Also, we have the NEED program, which is cost-shared with the Government of Canada, which is directed, in part, toward small business. We also stressed in the budget speech the principle that we were prepared to bring forward a \$1 million appropriation to aid Cyprus Anvil, which maybe the member opposite thinks is small potatoes, but this is a lot of wheat.

We put an offer on the table and if it is successful, the members opposite will get the opportunity to vote against it here in the next couple of weeks if the Cabinet agrees with the plan that the minister is going to be putting forward at the federal level.

I should also point out that we have put into place, over the past year, the retention program for small business and that also was extended for a couple of months until we get into the tourism season. The underlying philosophy, of course, was that we felt we should help small business get through the situation that we presently face and I think we are taking the proper steps.

The costs of government and what we provide for government, as a politician and as the people of the territory, I agree with the members opposite, it has to be evaluated. I also stress to the members opposite they have some responsibility, too. On one hand, the members opposite stand up and say they want free ambulance service for one segment of the population or they want something free somewhere else. Well, nothing is free. I want to stress to the members opposite that I believe they have a responsibility to not only criticize the government, which I am prepared to accept, but at the same time they have a responsibility to bring something constructive forward in respect to debates that we are having, whether it be question period or in a form of this kind when we are discussing a resolution.

In respect to the programs that we have in place as far as trying to help the senior citizens, the pioneers of Yukon, we have continued on with the pioneer utility grant. The person who has his own property and own home, as far as residential quarters are concerned, will continue to get the homeowner grant.

At the same time, the various programs that have been put into effect, for example the old age supplement, are still in effect. If you take a look at the budget, we have also said consciously that we have got to continue these programs, recognizing those elements of

society that are perhaps having a tougher time than others.

When you take a look at the two percentage points that we are talking about in income tax, as I said earlier, if one makes \$40,000 and is single he will pay approximately \$165 further in taxes. At the same time, I think that those who are fortunate to have those jobs at the present time recognize over-all they have a responsibility to help those other people who are a little less fortunate, which, in most part, at least in the riding I represent, is not of their own making. I think that what we have brought forward is a constructive budget; one that is designed to help small business, at the same time to keep costs down to the taxpayer, and at the same time will, in the long term, work in the best interests of small business, which means people working.

I think that is where we philosophically differ, between that side of the House and this side of the House: the way you people refer to profits. I have to ask the member opposite if he were involved in a small business and he did not make a profit would he continue that business the next year? Of course he would not, so I cannot understand his obvious aversion to helping small business, especially when his leader tried to portray himself last spring as the friend of the little business guy. I would suggest that perhaps I will bring it to the leader of the opposition's attention so that he can deal with it accordingly.

I want to say that the budget has been brought down with a lot of work by the administration, and also from all members on this side of the House who have tried to come up with a document that is reasonable and will meet the needs of the people over the course of the coming year.

²³ **Mrs. Joe:** I move, seconded by the member for Faro, that debate on the motion be now adjourned.

Mr. Speaker: It has been moved by the hon. member for Whitehorse North Centre, seconded by the hon. member for Faro, that debate do now adjourn.

Motion agreed to

GOVERNMENT BILLS AND ORDERS

Bill No. 5: Second Reading

Mr. Clerk: Second reading, Bill No. 5, standing in the name of the hon. Mr. Pearson.

Hon. Mr. Pearson: I move, seconded by the Minister of Education, that Bill No. 5, *Second Appropriation Act, 1983-84*, be now read a second time.

Mr. Speaker: It has been moved by the hon. government leader, seconded by the hon. Minister of Education, that Bill No. 5 be now read a second time.

Motion agreed to

Mr. Speaker: May I have your further pleasure?

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

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

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

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

We will have a 15 minute coffee break after which time we will continue with the *Territorial Court Act*.

Recess

²⁴ **Mr. Chairman:** I will now call Committee of the Whole to order. We will continue with the *Territorial Court Act* at 8.3(1).

Amendment proposed

Hon. Mr. Ashley: I propose an amendment to the bill, that Bill No. 4, *An Act to Amend the Territorial Court Act*, be amended in 4(1), page seven, by substituting 8.1 for 8 in the proposed section 8.3.

Amendment agreed to

Amendment proposed

Mr. Kimmerly: I have prepared an amendment to the same subsection about a substantial matter as opposed to the probable typographical error or whatever error it used to be.

I move that Bill No. 4, *An Act to Amend the Territorial Court Act* be amended in 4(1) at page seven, by deleting subsection 8.3(1) and substituting for it the following: "8.3(1) Members of the judicial council appointed under paragraph 8.1(1)(e) may be paid such remuneration as may be prescribed by the Commissioner in Executive Council; (2) Members of the Judicial Council may be paid such expenses as may be prescribed by the Commissioner in Executive Council."

In speaking to the amendment, the obvious intent is to cut out a remuneration for the people appointed pursuant to subparagraph (c) and (d) which are the president of the Justice of the Peace Association and the president of the Law Society. I propose that because those two people are there in a "professional" capacity or are appointed by virtue of their office, I do not see any reason why they should be paid remuneration. We have no problem with expenses being paid but to make it a remunerative kind of job goes against the policy of appointing those particular people and I would ask the minister for any justification in the minister's policy that the minister feels appropriate for those two people being paid a remuneration as well as expenses.

²⁵ **Hon. Mr. Ashley:** The main reason I disagree with the amendment is because the reason these two are being paid is the same reason why the rest are being paid. They would be the only two who are not being paid, in this case. The president of the Justices of the Peace Association is not paid by this government for his function in that capacity as he sits on the Judicial Council; neither is the president of the Law Society. Whereas, the other three appointments by the government are paid. And the chief judge of the Territorial Court and the Supreme Court judge are paid.

Mr. Kimmerly: What is the intention about what is paid to these particular people? Is it an hourly fee or a fee per meeting attended or a yearly fee. What is the government's intention?

Hon. Mr. Ashley: That is stated. It will be in the regulations as to how the pay levels are worked out. It will be like regular board meetings held when the committee sits. That will be worked out in regulations.

Mr. Kimmerly: Is the present policy to be contained in the regulations going to be that these people ought to be paid a yearly amount or an amount per meeting or an hourly amount?

Hon. Mr. Ashley: Our normal procedure at the moment is per meeting. They are paid per meeting.

Amendment defeated

²⁶ *Amendment proposed*

Mr. Kimmerly: I would move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in Clause 4(1) at page 9, by deleting subsections 8.9(2) and 8.9(3).

In speaking to the amendment, perhaps I will first ask the question of the minister: why is this section included? What abuse or what kind of situation is it intended to address? I will make the major portion of my remarks in response to that question.

Hon. Mr. Ashley: I will be disagreeing with this amendment. The main reason is: it is a minister's responsibility. It is a must that the minister have this function. The minister's responsibilities are not the responsibilities of the average man on the street and may be privy to information not of general knowledge to the public. Therefore, it is the minister's responsibility to direct that an inquiry be held if something has come up and it is not general public knowledge. The directing of an inquiry does not result in the ultimate decision of the Judicial Council. It might be for the reason that it may be just to clear the air.

We have gone along with BC and Manitoba in this, so it is not unique legislation anywhere else. It is a function that is needed by the government minister to be able to have the government

functioning properly and the judiciary functioning properly, so, we have to put this in.

Mr. Kimmerly: I would like to ask a clarification question. In view of the minister's response that there may be information known to the minister and not known to the general public, why is it not possible in a situation like that for the minister to make a complaint in the normal way, as any citizen is able to do in the previous subsections. The nature of the complaint, or embodied in the complaint, would be the information, of course, which the Judicial Council can screen in the normal way and in private. Why is that, in the minister's view, not possible?

Hon. Mr. Ashley: The member opposite seems to have missed the whole point of this. It is the minister's responsibility to have a well-functioning judiciary. It is my responsibility, so I have to have that power to impel an inquiry or I cannot do this job in the public interest.

Mr. Kimmerly: I wonder if the minister can give any example at all as to the necessity of this kind of power? There is no argument as to the general responsibility of the Minister of Justice, but there may be an argument about the specific nature of the responsibility as it relates to judges. Any example or any clarification or particularization of the necessity of this kind of power may assist the debate.

Hon. Mr. Ashley: I thought I had already given that basically. One that comes to mind is that it may be necessary to have the air cleared. We must have justice not just being done but seen to be done, as the member opposite fully must realize that.

Mrs. Joe: I think that I would certainly disagree with the minister. I think that even though that person holds many powers and is able to do many things, there are still times when you are going to have to take the advice of other people and I think the Judicial Council should certainly be the body that has to do this. There are cases where wrongs have been done because there was no committee, or whatever, in between a decision that was made and I think it is absolutely necessary that there be in a case like this.

Hon. Mr. Ashley: The member opposite is insinuating something that I personally have never heard of and if the member opposite has some proof or fact then please bring it forward. It is my duty to deal with it. The reason the whole legislation is going through is to upgrade it so that we do have a Judicial Council, as the rest of the Canadian system has right now. I personally have never heard that there has been wrong-doing and I have no proof of that. If the member has proof, as I stated, she should bring it forward.

Mrs. Joe: All I am saying is that if you are going to make legislation and it is going to be good legislation then it has to be done in the way that is going to work, and is going to work in a proper manner.

Hon. Mr. Lang: I cannot see what the members opposite are really arguing about because this section is a section that no one is going to use unless it is absolutely essential. In the final analysis, if the member opposite says to the Minister of Justice, no matter whom he or she may be, that there is something going on and I demand that there be an inquiry, then are you not remiss in your responsibility if you do not grant him the authority to call an inquiry? What if we had a judge and we had 50 cases and 45 of them were successfully appealed? If I were the Minister of Justice, I would say that the taxpayers who are paying this bill are obviously not getting value for their dollars because there are obviously too many mistakes being made. There should be a method for the Minister of Justice to inquire into the matter, because not only is justice not being done, justice is perceived to be taking too long. The way our system is set up with an appeal procedure, if the majority of them were appealed, I have to say obviously the wrong judgements are being made.

I am sure the member opposite would agree with me on that. It just seems to me to be an authority that the Minister of Justice is not going to use every day. Definitely, in utilizing it, he would have to come forward to the Cabinet of the day to say, "Look we have a real problem; how can we approach it?" I can assure you, no matter who is responsible and has the political accountability, he is going to use this particular authority very judiciously and probably very, very seldom — if ever — but it should still be there if the necessity

arises, because public accountability has to come through this Chamber.

Mr. Kimmerly: It will come as no surprise to the previous speaker that I do not agree with him. I would like to explain the reason for the amendment and that is all I can do, obviously, as minds are clearly made up on this issue and there is, in fact, no meaningful debate in the parliamentary sense as there was not in all of the previous amendments.

The purpose of the amendment is to firmly separate the political accountability, as the previous speaker talked about, from the judiciary. It is clearly our system that judges are not politically accountable. They are accountable to the Court of Appeal and they are accountable to the Judicial Council in any disciplinary procedures but they are not politically accountable or accountable in a political arena.

That obviously is a fundamental difference of opinion between the two sides of the House. The previous speaker — and other members, by their comments off the record — clearly believe that judges ought to be politically accountable during their office in a very political sense. We do not believe that. In fact, we believe that if a member of the public phoned the Minister of Justice with a complaint about a particular decision that a particular judge made, he ought to be able to say with complete truthfulness that our system of law is that if you are dissatisfied you should go to the Court of Appeal. If you do not wish to go to the Court of Appeal, live with it.

²⁸ The section that we are talking about gives the minister a special position with regard to the Judicial Council and it implies a kind of duty on the minister to be a watchdog on the judiciary and, if he is dissatisfied, and the power in the section is extremely wide, "for any reason he considers is sufficient", that a special category of complaint can be made. In view of the other sections, the complaint involves a suspension of the judge in question until the inquiry is dealt with.

It is a very, very serious matter that if an ordinary citizen complains, that question is left up to the chairman of the Judicial Council. If the Minister of Justice complains, that is a complaint of a different category. Our position is that the Minister of Justice ought to be in the same position as an ordinary citizen with regard to disciplinary matters involving judges and that there should not be, under our rule of law, a watchdog function in the political process and politically evaluating the decisions of any judge, whether they be right or wrong.

As I said before, there is obviously, about the entire bill, no meaningful debate in a parliamentary sense. I wish to put our position clearly on the record.

Mrs. Joe: I would like to mention something that happened to me in terms of my position as a justice of the peace. I was in conversation with a former Minister of Justice a few days ago, and the minister said to me that he was glad that I was not a justice of the peace anymore, the reason being that he felt that I did not agree that you should cut someone's hand off if he stole something. I can laugh when I sit here and talk about it, but if a minister believed that a person should not be a justice of the peace because he was not a hard-line justice of the peace, and wish that that person not be a justice of the peace anymore and order an inquiry, then I would question whether or not it should go before a Judicial Council first, where you have six or seven people who are going to decide whether or not there should be an inquiry rather than just one person who does not really, possibly, have all the facts, but just does not agree with the types of things that you do.

Hon. Mr. Ashley: If the minister is to call an inquiry it is not going to be a frivolous call that is made. It is going to go to Cabinet for damn sure. What the members opposite are saying is totally ridiculous. They do not seem to understand that it is the minister's responsibility to have a well-functioning judiciary. If it is not, he is not doing his job.

²⁹ **Mr. Falle:** I just have to say one thing, and I have listened to Mr. Kimmerly and the other hon. member; they have been in this House quite a little while and every time that something goes wrong with the judicial system you ask the Minister of Justice questions, which is your right to do, and I agree with it. But what you are

asking right now is that the minister have absolutely no power: no say, no nothing. To me, if you have responsibility, somewhere along the line you have to be accountable to somebody. To me, having that responsibility and absolutely no accountability, seems to me to be saying that judges want to be accountable to themselves and to the judicial body, not to anybody else.

You must remember they serve the public like we do. They serve the public at large and their job is to administer justice. I agree with that. I think this bill has gone as far as it possibly can to restrict the minister in any way from interfering with the judge's decision; but as far as the purse strings go, as far as being able to call inquiries go, the minister has to have that authority because the minister is accountable to the people, and he is the only person who is accountable; the judges do not stand up and get elected. They do not answer questions in this House coming from the opposite side; the minister does. Yet, you seem to want to take all the power away from the minister in order to do that. I really cannot understand that.

Mrs. Joe: The ultimate decision making goes to the Minister of Justice and we all know that and we all believe it, but there is a body — and the members on the other side of the House keep saying we have to have those boards, we have to have those committees to help us do our jobs, and they said it time and again, in the short while of time that I have sat in this House. We are not taking powers away from him. He does have the final say-so in any legislation or decision that is made. It is the judicial body that is helping him to do his job and do it better.

Hon. Mr. Ashley: The members opposite do not seem to understand that the Judicial Council makes its own decision. The minister does not tell the Judicial Council what to do, in any way, shape or form. The minister needs the right, as I have said before, and as other governments and legislatures have agreed, to have that right to call an inquiry, because, it is so important to a well-functioning judiciary to have that power, whether you use it or not. Hopefully, you never would have to use it.

Amendment defeated

Amendment proposed

Mr. Kimmerly: On 9(2), I would move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 4(1) on page 9 by deleting subsection 9(2) and substituting for it the following: "9(2) Where an investigation has been commenced under section 8.6 or an inquiry has been ordered under section 8.9 and the judge or justice resigns, the investigation or inquiry shall be completed unless the Judicial Council orders otherwise, in which case it shall state the reason or reasons for so doing."

In speaking to the amendment, the purpose of the amendment is twofold. The first one and the most important is: in a situation where an inquiry into the conduct of a judge has been started and the judge resigns, we believe very, very strongly that any scandal ought to be brought to light if there is a scandal or that the person's name ought to be cleared if that is appropriate. In any event, the public's right to know is extremely strong when considering cases of disciplining particular judges. In this case, it is the Judicial Council that orders the inquiry. We believe it ought to be the same body that orders the inquiry that puts an end to it or a stop to it, if they deem that is appropriate.

The second reason for the amendment is: if an inquiry is started and the judge involved resigns and the inquiry is stopped, we believe that the public, who are left in the dark in that situation, have a right to know why the situation was not brought to public view or what, if anything, is being hidden. Now, frequently, nothing is being hidden; however, the public do not know that and, if they do not know, they suspect, or they are suspicious. This kind of a clause only deals with a situation where there must be some trouble or some cause for concern, because the Judicial Council has already ordered an inquiry.

Something must at least appear to be amiss and, if the judge resigns, that brings it further into the public view and, in our view, the public have a right to either know what the problems were, involving a continued investigation, or to know the reasons why the investigation is called off.

Hon. Mr. Ashley: The member opposite seems to have

answered his own question and seems to have spoken against his own amendment. I do not understand.

The minister is responsible to the public, not the Judicial Council, and that is exactly what he is stating: that the Judicial Council seems to be responsible to the public. That is ridiculous. The minister is the one who should have, and should want to have, as the bill states, the right to say that the inquiry shall be completed or shall not be. As the bill states, "It shall be completed unless the minister stops it". It should not be up to the Judicial Council.

The spending of public money involved here must be the minister's decision. The minister is responsible in this House for any public funds spent, not the Judicial Council, and that is a second reason why we will be disagreeing with this amendment.

Mr. Kimmerly: A possible scenario, and this is completely imaginary: a particular judge is involved with a member of the government in some improper way and a complaint is made and an inquiry is ordered and the judge resigns and the Minister of Justice, in order to avoid a political embarrassment for the governing party, puts an end to the inquiry. That is a possibility and should not be allowed and it is to correct that kind of possibility that this amendment is directed.

Hon. Mr. Ashley: I cannot believe the member opposite. It is totally ridiculous. The minister is responsible to the public, as well as the House. The minister has to get elected again. He is going to want more than ever to have it cleared up if there is something being said. It is just ridiculous.

Amendment defeated

Amendment proposed

Mr. Kimmerly: I have another amendment: that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in Clause 4(1) at page 10 by adding in subsection 9.4(1) after the words "held in private" the following: "in which case it shall state its reason or reasons for such a determination".

In speaking to the amendment, I would state the position of our side that it is obvious, and it is obviously the intention of the bill, that Judicial Council matters, at least relating to inquiries, should be held in public; that the public's right to know about these important matters is extremely important. We recognize that there may be a case where it is appropriate that either the entire case or part of it be in private. We say that if that occurs the public's right to know is so strong that they deserve an explanation as to why it is in private; that is, that the reasons ought to be given in order to justify the privacy and so that the ordinary citizen who does make an evaluative assessment of the judicial system generally, and judges specifically, be enabled to make it on the basis of the maximum amount of fact and the minimum amount of speculation.

Also, it is thought that if the requirement of giving reasons were added, there would be a greater reluctance to put an inquiry in camera as opposed to the general rule where it is in public.

Hon. Mr. Ashley: This may shock the member opposite, but I possibly agree with him on this one.

Mr. Kimmerly: Yes, it shocks me.

Hon. Mr. Ashley: I always expected the Judicial Council to give a reason for this but it is not stated in here and he is correct in that. I do not have any major problem in having it added.

Amendment agreed to

Mr. Kimmerly: On 9.4(1), I would move, simply for the record, that Bill No. 4, *An Act to Amend the Territorial Court Act*, be amended in clause 4(1) on page 11 by deleting subsection 9.5(1). The purpose of the amendment is it is consistent with the previous amendment, which was unsuccessful, concerning the minister's right to impose a special inquiry and the positions of both sides, I believe, are already on the record.

Amendment defeated

Mr. Kimmerly: On 10(1)(a), (b) and (c), I did not prepare an amendment, but it strikes me that one situation is open-ended. For example, if the Judicial Council acts under subsection (c) and orders the further suspension of the judge or justice and the Minister of Justice refuses to remove the judge, there is a peculiar situation in that the judge remains a judge but he is under suspension. This can be either without a salary or with a salary. If the minister and the council are deadlocked or disagree, it leaves a dangerous

possibility, I would suggest. Has the minister considered anything to solve that?

Hon. Mr. Ashley: The member opposite has raised a point but I do not agree with him for the simple reason that I do not believe that it really could happen. I do not think that it is a valid point in that respect. I cannot see it happening. I cannot see a minister saying "no" once the judicial council has had an inquiry. It would be suicide.

³² *Amendment proposed*

Mrs. Joe: On 10.6(1), I would like to make a move an amendment that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 4(1) in page 14 by deleting in 10.6(1) the expression "as may be prescribed by the Executive Council Member after consultation with the chief judge." and substituting for it the following: "as may be prescribed upon the recommendation of the Judicial Council by the Commissioner and Executive Council".

And to speak on that amendment, it would just follow in line the duties as outlined by the Judicial Council where they recommend to the Minister such things as appointments and other things that are necessary in order to help him do his job. Not only that but I think there has to be that consultation with the Judicial Council rather than just one person.

Hon. Mr. Ashley: I will be disagreeing with this amendment.

This is something the minister has a responsibility for within the allocated and justified, in this House, dollars of the department. We choose to do it this way because Cabinet has chosen to make the major decisions of this government and minor department decisions should not take up valuable Cabinet time. That is why we have ministers assigned certain responsibilities so that they can become familiar with these areas and can make more informed decisions. As I said, I will be voting against this amendment.

Hon. Mr. Pearson: I think probably there is one other thing that I believe that the member for Whitehorse North Centre has lost sight of in her amendment. She would take away, in her amendment, the right of the judge or judges to actually bargain with the minister. There is no other way that that can be written in. At least, with the section the way it is proposed here, the judge, who we agree should not be part of the public service, would have the capability of actually bargaining with the minister and it is really a decision that has to be taken by the minister.

Mrs. Joe: I do not think that there would be anything taking away from the chief judge in terms of negotiating because the chief judge does sit on the judicial council.

Hon. Mr. Pearson: That is the point I am making. It is not the judicial council that should be negotiating, it is, in fact, the chief judge on behalf of the judges.

Amendment defeated

Amendment proposed

Mrs. Joe: I would like to move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act* be amended in clause 4(1) on page 14 by deleting in subsection 10.6(2) the expression "The Executive Council Member may, after consultation with the chief judge," and by substituting for it the following: "Commissioner and Executive Council may after consultation with the Judicial Council." I want that for the record. I suspect right now that it is not going to be passed but it goes along with the same amendment that I proposed prior to this.

Hon. Mr. Ashley: We disagree for the same previously stated reasons. It is chief judge and the minister who have the responsibility to deal with these matters and get them resolved.

Amendment defeated

³³ **Mrs. Joe:** I would like to move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 4(1) at page 15 by deleting in subsection 10.8(1) the expression "The Commissioner in Executive Council may authorize..." and by substituting it for the following: "The Commissioner in Executive Council may, upon a recommendation of the Judicial Council, authorize..."

To speak on that amendment, the section as it now stands entitles the minister to authorize whomever he chooses to act as the juvenile court judge, which is dealing with juveniles. I think the duties of

the Judicial Council clearly state that those appointments should be recommended by the Judicial Council, and I think that this section is much too important to have any decisions made without going to that Judicial Council first. The minister possibly would not, but could appoint someone who is not capable of acting as a juvenile court judge, but I think there has to be that consultation or that recommendation made by the Judicial Council, because I think it is just too important a position to have to make without prior knowledge from any other group.

Hon. Mr. Ashley: I do agree with what the member just stated, but that is exactly what we have done. If she will look under section 4.1, sub 8.2(a), that is what it states, and we have already passed that. It is a function of the Judicial Council to make that recommendation to Cabinet, so I disagree with this amendment.

Hon. Mr. Pearson: If I might point out one thing to the member for Whitehorse North Centre: the section does not give the authority to the minister to make the appointment. It is to the Commissioner in Executive Council. Now, that is quite a bit different to the minister. That means that it has to be a Cabinet decision. It is something that is quite a bit different and quite far removed from the minister making a ministerial decision, in any kind of isolation at all. The importance that we put on it is that this is the most important group; this is the bottom line, this is where the buck stops, this is the group that should make that kind of a decision.

Mrs. Joe: If I could be assured that that is covered somewhere else in this act, then I would certainly be quite satisfied.

Hon. Mr. Ashley: I am not sure if the member opposite meant she was going to pull back her amendment or not, because it is in there.

Mrs. Joe: The amendment still stands.

Hon. Mr. Ashley: I have already stated what we believe and what we know is in here. So I will call question.

Amendment defeated

Amendment proposed

Mr. Kimmerly: On 12(1): I wish to move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 4(1) at page 15 by deleting in subsection 12(1) the following words: "... for a term of not more than five years..."

In speaking to the amendment, I would argue that the appointment of a chief judge ought to be made for the term of the judge. I am not certain of the position in all of the other provinces, but I believe it is so in the other provinces. The reason for that is that it is the chief judge who, more than any other judge, and possibly exclusively, and certainly in most of the provinces, exclusively or almost exclusively, deals with the executive arm of government regarding the various matters of mutual concern. And the chief judge ought to be able to do that from a secure position, knowing that the period of appointment is not subject to any change or for only a very short while, as is possible under this particular clause.

Hon. Mr. Ashley: I will be disagreeing with this amendment. Our chief judge is actually the person who felt this should be in, and especially the next one. He wants to ensure that the benefits and experience of being chief judge are shared around, through the judges. So, that is why these two sections appear.

³⁴ **Mrs. Joe:** I understand that the chief judge did recommend these changes, but I would agree with the member for Whitehorse South Centre that we should not restrict a person from performing that position, especially if we had a judge who was doing a good job and quite capable of it. I certainly agree that his knowledge should be shared with other people, but it is too important to not allow a person to continue in that position if the Yukon is benefiting from it.

Hon. Mr. Ashley: I disagree with that. I obviously agree with the chief judge or it would not be in here so I will be voting "yes" to it.

Amendment defeated

Amendment proposed

Mr. Kimmerly: On 12(2), I move that Bill No. 4, *An Act to Amend the Territorial Court Act*, be amended in clause 4(1), page 15, by deleting subsection 12(2).

It is my understanding that the minister's rationale for this

subsection will probably be the same as for the previous one, in that it was requested by the current chief judge. Be that as it may, I still disagree with it. The major reason is that it is unduly restrictive in that, if it is the will of the judiciary that the position of chief judge circulate among the various judges, that is fine and it can be accomplished by the resignation of the current chief judge and the appointment, by the minister, of any of the others remaining.

It is unduly restrictive to put in the legislation that a chief judge cannot succeed himself in a consecutive term. I submit that it is possibly very dangerous. Supposing, in the future, there is a long-serving judge and a judge just appointed and the term of the long-serving chief judge comes to an end; there is only one other choice and it is the person who was just appointed. That could be, in the future, undesirable, and the minister would have no other choice if there were only two judges. In fact, there are only two judges now.

It is also possible that, in the future, a particular judge would decline the appointment. That is a possibility, in which case the minister would not be able, by law, to appoint the old chief judge again, and there is a problem. It should be left out for maximum flexibility and if any particular term of a chief judge comes to an end he can easily solve the problem, if it is the wish of the chief judge, by declining any further appointment.

Hon. Mr. Ashley: The member opposite has made a few valid points. I disagree with him, as I have stated previously. I would like to see the benefits and experience of the chief judge shared around. It is very unlikely that we are going to have very long serving judges when we only have two judges and the caseload is as it is to date. It is a very demanding job and there is a very high burnout rate, as the member opposite fully realizes.

Another point is that if the second chief judge who was appointed did not work out then we can repeal that appointment and, if we had to, we could put the one who had previously served back in. That is still an option. I think we have enough latitude in this to pass it as is, and I will be disagreeing with your amendment.

³⁵ *Amendment defeated*

Amendment proposed

Mr. Kimmerly: I move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in Clause 4(1) at page 16 by deleting subsection 13(1) and substituting for it the following:

"13(1) The chief judge has the duty and power to supervise judges and justices in the performance of their duties and may

- (a) designate, subject to the provisions of subsection 10.8(1) the matters or classes of matters in which a judge or justice shall act;
- (b) designate the court facility where a judge or justice shall act;
- (c) assign duties to judges and justices; and
- (d) approve the taking of vacation leave and other leave from judicial duties with or without pay to which a judge may be entitled under this act."

In speaking to the amendment, it is very clear that the amendment gives a greater degree of control over the administration of the courts and other judges to the chief judge. That is obvious on the face of the amendment and I am making the amendment, for the record, in full knowledge that the minister's mind is already made up.

Hon. Mr. Ashley: I believe our bill states it very well, that we are changing and giving the chief judge very, very broad powers and duties under this act. I believe it is the chief judge's responsibility and I believe I must be able to receive his recommendations because he is one. When a chief judge sees a need, and he is the one who works in the courts daily, then he should be able to have automatic input to the minister.

That is what our bill says and the amendment does not say it. It looks rather poorly drafted, as well, in the start, where you have "subject to this act" in ours. You have left that, probably intentionally, and that changes the whole intent of the act, the philosophy of the act, so, I disagree with the amendment.

Amendment defeated

Amendment proposed

Mr. Kimmerly: I move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in clause 4(1) at page 16 by deleting 13(2).

In speaking to the amendment, I say again I wish to put our position on the record. I know the minister's mind is made up. This is a similar amendment to a previous one about administrative duties and we see absolutely no reason to include this interference with the administration of the courts by the Minister of Justice.

Hon. Mr. Ashley: I disagree with this amendment. Basically, what it is saying is that we will be interfering with the judges' powers and that is not what it is doing at all. It relates only to the administrative functions of the chief judge and not, actually, to his judicial powers. This broadens the scope of his administrative duties and we have followed BC and Manitoba legislation in this case so that we can give him that broader power, the broader duties, if we deem it necessary and if it is agreed that he should have them.

³⁶ *Amendment defeated*

Mr. Kimmerly: On 13.1(1), I move that Bill No. 4, *An Act to Amend the Territorial Court Act*, be amended in clause 4(1), page 16, by deleting 13.1(1) and 13.1(2). In speaking to the amendment, I would say that the obvious intent of the section is very good and I am probably, in a philosophical sense, in complete agreement with the Minister of Justice.

The intent is obviously that if a judge is interested in any particular case, in any way, he cannot be an unbiased judge on the case and he cannot preside over the case. I am proposing the amendment because the common law in this area is so clear and so strong that I believe that the clause in the bill may be restrictive in the future and may work a technical injustice in the future.

Our position is that the common law is perfectly adequate if a judge did preside over any matter where there was an interest on the part of the judge, it would very probably and almost certainly be a disciplinary matter and it would certainly be appealable on the grounds of bias in a Court of Appeal. Judges very clearly have a duty to remove themselves from a case not only if there is any interest but if there is any appearance of interest. It is a very, very onerous and clear condition of the common law.

In my view, it is possible that a court interpreting this section would interpret that it is the intention of the Legislature to change the common law and to impose in the law that statement of policy in this particular clause. Although it is generally well-stated, it does not say words to the effect that "where there is an appearance of interest or an appearance of bias", and it may be restrictive in the future. In summary, my view is that it is unnecessary and it involves some danger in enacting a substitute for the common law in this provision.

Hon. Mr. Ashley: What this actually does is qualifies and clarifies existing common law. I felt that it was very necessary to have it in. These are basic conflict of interest rules, for justice not only to be done, but seen to be done. I feel it has to be there. I will be voting against the amendment.

Amendment defeated

³⁷ *On clause 4*

Clause 4 agreed to as amended

On clause 5

Clause 5 carried

On Clause 6

Mr. Kimmerly: On 17(1): I did not prepare an amendment to this clause and the reason why is that it is our intention, on this side, to vote against the entire clause 6, so an amendment is unnecessary and we can achieve the same result by voting against the entire clause.

The reason why we vote against it is, it is obviously a good idea that there be a system of rules in the courts and, indeed, courts everywhere write rules known as the Rules of Court. And in our view the traditional way of writing rules is perfectly appropriate and there does not need to be any statutory supervision of this. It is a matter that the courts look after on their own and they should be allowed to continue to do that.

Hon. Mr. Ashley: I disagree with the member opposite's views on this. I feel that we must have this in legislation, or it is just left wide open and up in the air. The chief judge could appoint somebody, or who knows what could really happen. I feel we have to spell it out here, and that is what this is doing. It enables both the judge and the Law Society to have representation on it; plus it

allows the government to have experts if we feel it is necessary — such as court administrators or law professors or somebody to sit on this committee as well to help develop rules that may be better and would result in a more efficiently run court. And so I feel it is very necessary to have this section in.

On Clause 6

Clause 6 agreed to

On Clause 7

Clause 7 agreed to

On Clause 8

Amendment proposed

Mr. Kimmery: On clause 8(2), sub 29(1): I move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 8(2) at page 18 by deleting in subsection 29(1) the expression "Executive Council Member" and substituting for it the expression "chief judge".

In speaking to the amendment, it is obvious as we have gone through the previous 17 pages, that our position is that the chief judge and the judiciary generally ought to be in administrative control over the courts, subject to the budgetary control of the legislature and it is obvious that the government position is that the Minister of Justice ought to do that. I am aware of the position and I am not going to bore all members by re-arguing the same argument. I make the amendment for purposes of putting our position clearly on the record.

Hon. Mr. Ashley: This is where we philosophically disagree with the opposition. This has nothing to do with the judicial administration. This is a direct responsibility of the Minister of Justice for the allocation of public funds and that it is the way it must be stated. That is why we are here. We will be voting against this amendment.

Amendment defeated

Amendment proposed

Hon. Mr. Ashley: I have an amendment. I move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in clause 8(2) at page 18 by substituting the following for the proposed section 29.2.(1): "The chief judge shall, after consulting with the Executive Council Member, having regard to the volume of judicial work in any area of Yukon, direct that sittings of the court be held at such places as the Chief Judge and Executive Council Member consider advisable."

Mr. Kimmery: I had prepared an amendment deleting the section, but the government amendment is acceptable to us. We will vote for the amendment and not introduce our amendment.

Amendment agreed to

Clause 8 agreed to as amended

On Clause 9

Amendment proposed

Hon. Mr. Ashley: I move that Bill No. 4, entitled *An Act to Amend the Territorial Court Act*, be amended in clause 9 at page 19 by renumbering the said clause as Clause 10.

Amendment agreed to

Mr. Chairman: We will now recess until 7:30 tonight, when we will continue with the *Territorial Court Act*.

Recess

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

Just to refresh my memory, did we clear 9(1) as amended?

Hon. Mr. Ashley: We cleared that.

Mr. Chairman: We will move on then to 9(2).

Mr. Kimmery: This is now clause 10(2), I presume, after the amendment.

Amendment proposed

I would move that Bill No. 4, entitled An Act to Amend the Territorial Court Act be amended in clause 10(2) at page 19 and 20, by deleting subsection 31(1) and substituting for it the following: "31(1) The Commissioner in Executive Council may, after consulting with the Chief Judge, make regulations: (a) prescribing the locations for permanent court facilities; (b) governing the

remission of money paid to or collected by the court, a judge or justice; and (c) respecting any other matter he considers necessary or advisable in relation to the provision maintenance or operation of the utilities or services of the court."

Mr. Kimmery: In speaking to the amendment it is obvious that any of the provisions for regulation making power in the original section are deleted or not found in the amendment proposed and the reason for this is that it is the view of members on this side that those functions are properly the functions of the judiciary and specifically the chief judge and should be made by the chief judge and not through regulations.

I realize the minister's mind is made up on the question and I present the amendment for the purpose of clearly putting our position on the record.

Hon. Mr. Ashley: I again must say I disagree with the member opposite on the amendment. What we try to do here and the reason we have it so lengthy is that it is our intention to try to outline most of the areas we will be making regulations in. That is why we try to cover everything in this body right here so the members opposite will know, and I totally disagree with the philosophy taken by the opposite members. We are not talking about judicial powers here; we are talking about administrative powers. The executive side of government is responsible for the allocation of public funds and various tax provisions and for the provision and operation of court facilities. That is the stand we are taking throughout the bill and that is the stand of this government. That is why we will be voting against this amendment.

Amendment defeated

Amendment proposed

Mr. Kimmery: On clause 11(2) I move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in Clause 11(2) at page 20 by adding after the words "every judge" in subsection 32(1) the following: "or justice".

In speaking to the amendment, I wish to say that this particular amendment, although it is small or short, is an extremely important one in that it occasionally occurs that a person in a Justice of the Peace Court is disrespectful or contemptuous in the face of the court, meaning right then and there. JPs occasionally feel that they are not aware of their exercise of the contempt power in order to enforce the dignity of the court and also the orders of the court.

Mr. Kimmery: In this particular section, there is a statutory grant of power to the territorial court to grant the contempt of court power. We welcome that as a necessary clarification in the law, and we are in favour of the clause as it stands, of the principle of the clause.

It is our position that it ought to be extended to include also the Justice of the Peace Court. This is a matter of practical concern to a JPs if the Justice of the Peace Court were included, it would make it absolutely clear that for a contempt in the face of the court, a justice of the peace would truly be a judge exercising the powers of a judge, in order to enforce the judicial process in all of its various forms in all of the levels of court.

Mrs. Joe: I just want to add to what my colleague for Whitehorse South Centre has said in that we cannot omit the justice of the peace and not provide him with the same power as the judge. They would like to feel free to have that power of authority in the courts because very often it is needed, and if it is not stated in the act then they are not able to use it. It is a very important that it be included in it.

Hon. Mr. Ashley: Mr. Chairman, this does concern a contempt of court charge and is basically preserving order in a JP's court. It is what the members opposite are trying to say. Well, this is where we disagree. It has been thought about and that is why it has been left out of this. JPs already have, under common law, the power to charge contempt but not to impose a penalty for contempt themselves. That must be done by a judge. The reason I believe it should be this way is that it could give the justices very strong powers in which he had no formal training. It could lead to a misuse or abuse of this power, and that is why I feel it must be the judges who do this and not the JPs. The JPs still could charge somebody with contempt but then he must be tried by the judge. We disagree with this and we will be voting against it.

Mr. Kimmery: I am curious about the state of affairs that the

minister appears to desire. As I understand it, he recognizes that there is, in common law, a power to find in contempt and he makes a statement that a JP would not be able to impose a penalty for contempt. I find that curious as I am aware of a case in law, the position is that for a contempt in the face of the court, a territorial judge and a justice of the peace, by common law, are able to make a finding and impose a penalty at the immediate instance. It is the reverse if the contempt occurs not in the face of the court. For example, in a newspaper article or something like that, it is my information that the power to find in contempt and the power to dispose a penalty necessarily go together. One is useless without the other and it clearly clarifies the law both in the Territorial Court and in the Justice of the Peace Court if the powers are clearly and precisely stated.

☞ I would ask the minister to react to that.

Hon. Mr. Ashley: We are dealing with the powers that the Supreme Court judge has and we would like the Territorial Court judge to also have that. That is why I am saying they are a lot broader than just regular powers of contempt under the common law, and that is why we have done it this way.

Mr. Kimmerly: Is it the policy of the government that a JP should be able to find in contempt a person who is clearly contemptuous in the face of the court, that is, when the court is actually sitting.

Hon. Mr. Ashley: I have already stated that I believe under common law, yes he can, but the penalty is what we seem to be in dispute about; whether he can or cannot. I have legal opinion saying he cannot.

Mrs. Joe: I would just like to add here that because JP court is held in the communities where there are not any judges most of the time that including the word "or justice" in this section here would certainly help them a lot more in their work in the communities. Their positions are quite important and they have to have some assurance that they can be allowed to have these powers of authority in the court. I have talked to some justices of the peace who have experienced this type of thing happening, and if it does not say it there then they are not going to know that, according to you, it does include them.

Hon. Mr. Ashley: I have already expressed what our feelings are on this but I would add, in advising the member opposite, that I would not have any problem with, in our training sessions with the JPs, or as the judges go around, to advise the JPs that they do have this power, and we can do that. I feel strongly it would be too broad a power to give them the same power as a learned Supreme Court judge would have, so we stand with our decision.

Amendment defeated.

☞ *Clause 10 agreed to*

On Clause 11

Amendment proposed

Mr. Kimmerly: On 32.3(1), I move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 11(2) at page 21 by deleting 32.3(1).

In speaking to the amendment, we have previously identified a philosophical position on both sides of the Assembly. The amendment supports our position, and is contrary to the government position. I will say no more.

Hon. Mr. Ashley: The member opposite is right again. We disagree with his view in his amendment. The main reason for disagreeing is that, as I have already stated a number of times, we feel that we need this power here because it is our responsibility. It is the responsibility of the executive side of government for the allocation of funds. That is our philosophy and that is where we stand. It agrees with the policies in the provinces as well. All provincial legislatures across Canada have taken this view, so we are not one bit out of line on that. We will be disagreeing with this.

☞ *Amendment defeated*

Amendment proposed

Mr. Kimmerly: I move that Bill No. 4, *An Act to Amend the Territorial Court Act*, be amended in clause 11(2) at page 21 by deleting the words "or specially in regard to any inquiry, for" in subsection 32.4(1) and substituting for them the following: "or specifically in regard to any inquiry held pursuant to the provisions

of section 8.9, for".

In speaking to the amendment, I say that there is no philosophical difference between the position of the government and the amendment. The amendment is put forward in the spirit of clarifying and simplifying the law and making it more understandable. The section speaks about an inquiry, and it is in the part of the act which is to be called "Miscellaneous and Transitional". I say there could be a possible confusion between what is probably meant here and "other inquiries pursuant to other legislation", or "other inquiries pursuant to no legislation".

I also believe that the word "especially" is probably an error and probably what is meant is "specifically". If it is not an error, I would be very pleased to hear the minister's explanation as to the meaning of the section, and why it is there.

☞ **Hon. Mr. Ashley:** I disagree with the member opposite again. I will be voting against this amendment. This could limit other possible inquiries, if there ever were some. I cannot give the member opposite an example of one at this point, but it must be left open for that. The wording was chosen by the legislative draftsman. He felt it should be this way, rather than be more specific. I do not have a reason at this point but I will certainly endeavour to get one for him.

Mr. Kimmerly: I thank the minister for an undertaking to provide an explanation as to why the word "especially" is there and not the word "specifically". It certainly appears to me to be very confusing and I am sorry it will not be clarified in the amendment proposed.

Hon. Mr. Ashley: The member opposite, as I said, has made a point. I believe I said that at the time. That word does bother some of the members on this side, and I will make an amendment dealing with that word, but I cannot accept his amendment here because it says a lot more than that. We will deal with that as soon as we can.

Amendment defeated

Amendment proposed

Hon. Mr. Ashley: I move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 11.2 at page 21 by deleting the word "specially" in 32.4(1) and substituting for it, the word "specifically".

Mr. Kimmerly: We are in favour of that amendment.

Amendment agreed to

Amendment proposed

Mr. Kimmerly: On 32.6(1)(a), I move that Bill No. 4 entitled *An Act to Amend the Territorial Court Act* be amended in clause 11(2) at page 22 by deleting 32.6(1) and substituting the following: "32.6(1) Subject to this Act, the Commissioner in Executive Council, upon the recommendation of the judicial council, may, in respect of the Justice of the Peace Court, make any regulation that may be made under this Act in respect of the Territorial Court, including regulations (a) fixing the remuneration to be paid to justices, and (b) establishing the benefits that may be provided to a justice, if any, in addition to his remuneration under paragraph (a)."

¹⁰ In speaking to the amendment there are only two changes. One is "Executive Council Member" is changed to "Commissioner and Executive Council upon the recommendation of the Judicial Council", which of course is a substantial change, and I have previously spoken of the philosophy of that and the minister has previously disagreed, and I will say no more about that. The second one is that, under the government's bill, the remuneration to judges may vary according to the qualifications and the duties of the justice. I believe I said "judges", and that is inaccurate; it is "justices".

The position of our side is that justices ought to be treated as judges are, and all paid at the same rate, and be paid equally. They may be paid at an hourly rate according to actual time worked but the rate ought to be exactly the same in all cases.

Hon. Mr. Ashley: Again I disagree with the member opposite. It is the responsibility of the minister, as we have already discussed. At present, remuneration is set out by the minister after consultation with the chief judge according to the various levels of expertise; that is, the JP1, JP2, JP3; I believe they should be paid according to those levels of expertise and that is how we have set

this out. It is set out in Section 10.4(1) and 10.6(1). We have already discussed those sections so I disagree with this amendment.

Amendment defeated

Clause 11 agreed to as amended

On Clause 12

Mr. Kimmerly: I would ask a question. First of all, the transitional position of the chief judge is not covered anywhere else in the bill or in this section and I would ask if it is the intention of the government to include a transitional provision for the present chief judge?

Hon. Mr. Ashley: In answer to the question, no. I do not believe it is necessary.

Mr. Kimmerly: Is the position of the government that on the proclamation of this amendment the present chief judge is no longer the chief judge and requires a reappointment or an appointment, or is it the position of the government that the present chief judge, who is appointed without a specific term, continues during good behaviour?

Hon. Mr. Ashley: In answer to the member's question, it is our position that his appointment is not affected by this legislation. He is our chief judge and will continue to be so until his term runs out.

Mr. Kimmerly: Mr. Chairman, I have a question about subsection 2. It is a question about the draftmanship. In the second line it says, "as amended by this act". Is that the old *Territorial Court Act*, or this amendment? It appears to be unclear on the point and I would ask the minister if he has considered a clarification of that particular wording?

Hon. Mr. Ashley: It is dealing with section 14 of this act.

Clause 12 agreed to

On Clause 13

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

On Clause 15

Clause 15 agreed to

On Clause 1

Clause 1 agreed to

On Title

Title agreed to

Hon. Mr. Ashley: Mr. Chairman, I move that *An Act to Amend the Territorial Court Act* be reported with amendment.

Motion agreed to

Mr. Chairman: We will now take a 10 minute recess. When we return, we will continue with the *Second Appropriation Act, 1983/84*.

Recess

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

We will continue with the *Second Appropriation Act, Bill No. 5*. Before we do, I would like to make a small remark on the budget debate in the Committee of the Whole. We should discuss very briefly some of the parameters of the debate. I am suggesting that basically all matters can be raised in this debate with the exceptions, as noted in section 495 of *Beauchesne*, which states that the conduct of any employee of the government, insofar as his behavior outside of office hours is concerned, cannot be inquired into by a member of the House, unless that employee is alleged to have done or published something prejudicial to the public interest. If that be the case, it is competent for the House to secure all details. Although any matter can be raised, a minister has the right to refuse to answer any questions on any issue.

It will be my intention not to interfere in the general debate, unless I am of the opinion that it is completely off the topic, or might better be covered within a specific program. I would prevail upon all members to use good common sense and courtesy in their deliberations. We will now proceed with the general debate.

Mr. Kimmerly: I have a series of general questions to the government leader about the budget in its most general sense. Firstly, the question is about the announcement in the budget address about the tax measures for small businesses, and it is

relevant in that it relates to revenue. Obviously, there will be a tax measure as another bill, but I wonder if the government leader could state, because a lot of business people in the territory are extremely interested, and some are certainly not informed, about the intentions of the definition of "small business". It is my understanding that a small business is defined, as it is in the federal *Income Tax Act*, specifically, section 126, and it will allow a deduction on the first \$150,000 of income in a year. Is that accurate? I am asking in the spirit of a public disclosure, even though the question is more properly put under a different bill.

Hon. Mr. Pearson: Mr. Chairman, it is our intention to follow the federal lead. That would mean that the active taxable business income will have a limitation of \$150,000 of taxable income, and that will be what we will be describing as a small business.

Mr. Kimmerly: I thank the government leader for that clarification. I would ask specifically about the bill and the budget as an appendix to the bill, and the assumptions that are implicit in the budget. I was told that it is the projection of the government, and it is evidenced by the budget, that the population is now approximately 24,000, even though the federal statistics are fairly different, and that by March, 1984, the projected population will be 19,500. That is assuming that none of the major mines reopen before March, 1984. I would ask if that assumption is in fact the assumption made by the government.

Hon. Mr. Pearson: We have put this budget together on what could be termed as a "worst possible scenario". That means that none of the major mines in the territory resume operations prior to early spring, 1984.

There will be some impact if that scenario does not come to pass. We sincerely hope that that does not happen, but, Mr. Chairman, we anticipate that those changes would be reflected in supplementary estimates that we are already saying that we are going to have to table in the fall in any event. As we have stated, we anticipate that we are going to be, in the next short little while, committing a fair amount of what is our working capital, or surplus money in the budget, to various make-work projects as they become available to us during the course of the spring.

Mr. Kimmerly: I would ask about the underlying philosophy of the budget, given those assumptions which are acknowledged. I ask this question in a very general sense. I remember the debate of the last year's budget and there was a lot of talk of the need for diversity in the economy, and there were several statements made about the projected nature of the economy after the recovery, or when a recovery occurs. I remember stating that I believed that the economy may be substantially different after the recovery from what it was before the depression in 1981-82 terms.

I would ask the government leader: is the assumption that when the recovery occurs, or when the mines reopen or new mines open, that the same general level of government service is contemplated?

Hon. Mr. Pearson: Yes, I would think about the same level of government service should be contemplated. The one thing I think we have to make clear from this side is that we do not foresee the government as being the instigator of any kind of a new Yukon economy. We truly believe that private enterprise and the business sector are going to determine the kind of economy we are going to have in the territory. It would seem to us that mining has a very definitive role to play in the economy of the territory, and always will have.

I think if we can see any major changes right now, it may well be in our transportation infrastructure and exactly what is going to happen, specifically, in respect to the White Pass and Yukon Railway. That really has to be one of the major questions that is facing us today, because, it is conceivable that our economy in this territory could recover to a major degree and we still would not have that railway operating. In other words, the transportation infrastructure would be changed to meet a different kind of a situation, one where we are not using the railway as an integral part.

That is something that distresses me personally because I have always believed that, in the long run, that railway must play an integral part in the economy of the territory. It is imperative that if we are going to grow in any kind of an orderly fashion we are going

to have to have that railway in operation.

Mr. Kimmerly: I would ask about the timing of the recovery. Obviously, a definitive answer is impossible. I wish I could give one and I cannot. What strikes me is that the economy has worsened in the last little better than 12 months. The budget is prepared, in the government leader's terms, "in the worst possible scenario", or, in other words, on the assumption that the decline is going to continue. If it does — I would like to be optimistic and suggest it will not — what is the overall direction of the government or the philosophy of the government about the negotiations or bargaining around transfer payments with the federal government? I would assume that the federal government at some point is going to say it is not going to finance the government at 1981/82 levels any longer if the decline continues. Is the timing of that, or the philosophy, a matter of concern, and was it in fact negotiated on the last round, which only ended a month or a few weeks ago?

Hon. Mr. Pearson: Mr. Chairman, the Government of Canada most times recognizes that it does have a responsibility in respect to the development of the north. The member for Whitehorse South Centre, in his reply to the budget speech today, implied that somehow or other we were able to negotiate more money from the federal government last year than we really deserved. That is not the case at all. In fact, the members opposite last spring told us that we were incompetent when it came to negotiation; that we would never ever get more money out of the Government of Canada. It is all in *Hansard*; we were called all kinds of names by the members opposite about the horrible way we talked about the Government of Canada when it came to negotiations for money.

The final bottom line is that the Government of Canada owns the Yukon Territory. It owns the resources, it owns the land and it has a responsibility, not to the people of Yukon, but to all of the people of Canada, to develop this north. It is not the people of Yukon who look to the Government of Canada to make sure that development continues up here; it is all of the people of Canada.

You can count on it; they have the votes counted up here. They know exactly how many votes they get here. If it was a case of having to pay for their votes, of course we would get nothing. They have a moral responsibility in respect to this territory.

It does not really matter whether we are good negotiators or bad negotiators. The fact of the matter is that the Government of Canada must finance this government. They have to do it because this government means development in the north and that is what it is all about. The rest of Canada will not sit still for them to leave us and just say we are not going to finance you any more. It is a fear that has been raised by the opposition that is not valid.

I have suggested a lot of times that I have had the feeling that our negotiations would go simpler if we had some political sympathy in Ottawa, but we do not know that yet. We have not had the opportunity to actually sit down and negotiate an agreement with what we would consider a sympathetic Ottawa. I am looking forward to that happening in the very near future. I think it will be beneficial to the territory.

Realistically, what happened last year was we were able to put a very good case to the Government of Canada. We went public with that case in August last year. We told everyone what we were doing. It was an irrefutable case. I respectfully suggest that it was irrefutable to the tune of about \$13,000,000; we got \$7.3 million. It was \$7.3 million that we had not received in our previous negotiations so it definitely was a plus. It was not a bail-out; that is not what it was at all.

We got this money because it was money that we should have gotten before. It was money that we deserved before; it was money that we had been beat out of as a government before. It was money that we had been beat out of as Canadians before. Getting that \$7.35 million helps tremendously when we negotiate the next year, because of course, this then becomes part of the base. There is never a time when these negotiations are based on, "Well, we gave you this last year and this is what is going to happen this year". That is not what happens. In fact, we go to Ottawa with a projection, "Look, this is what we intend to do. We think that this is what the people in Yukon need. This is what the Government of

Canada has to do to make sure that the wheels keep going around in that territory. You tell us how we can keep the wheels going around with anything less". That is what the negotiations are all about. That is outside of established program funding payments, lease services agreement, et cetera, which are actually on formulas already. It is anticipated that in the near future we will be on a formula financing basis, like the provinces, for all of our funding, and then these negotiations will become a thing of the past.

Mr. Kimmerly: I thank the government leader for an informative answer. I wish to clarify the record and say, regardless of the appearance, it is certainly not my intention to be critical of the government for getting too much money from Ottawa. I am not critical; I am simply interested in the way it is spent. In the spirit of the same discussion, and considering the moral responsibility of the federal government, as the government leader puts it, I notice, and I would ask a question about this direction: last year, in the estimates, the projected revenue from the territory was approximately \$40,000,000 and the projected transfer payment before the sup was approximately \$43,000,000, roughly similar amounts. This year, the projections are \$36,000,000 from the territory and \$73,000,000 from the federal government. The proportions have changed substantially.

I am specifically interested in the effect of that on future planning and future budgeting and, indeed, this year's budget. There is, obviously, an increased financial dependency on the federal treasury. My question, in its simplest and most general form is: can we expect the proportion of roughly two to one or one-third/two-thirds to be the rule in future years, or is it simply an unusual event because of the peculiar economic circumstances in the territory now?

Hon. Mr. Pearson: It really is a very, very unusual event. If our revenues increase substantially during the course of the year because the scenario is not the worst possible one, and if, within a few months, we can see our revenues increasing — and these are looked at on a monthly basis during the course of the year — you will see our transfer payments reduced by like amounts.

One of the things that has to happen, because the government of Canada is no more willing than the Government of Yukon to reduce services to the people in the territory because of the recession that we are in now, and because our taxation base is so small, and because we are so dramatically affected by this recession, is to compensate us for our reduction in our own revenue.

What I want to respectfully point out to members opposite is that that has always got to be the key in respect the negotiations of any Government of Yukon with the Government of Canada. They are: what are the levels of government services going to be, and, who is going to pay what for those services?

Now, we make the argument to the Government of Canada — and I submit to you, we have been quite successful in the past — that we cannot increase our cost to Yukon taxpayers very much more at any given time. We can increase them periodically, as time goes on, and we are prepared to pay our way. We have always said that we are prepared to pay our way, but we cannot be expected to carry the burden of what are extraordinary costs in this territory, because we are a frontier, because costs are very high, and government costs are very high. On a per capita basis, government costs in Yukon are very high. There is no government that is going to get them lower dramatically.

One of the things that we work very hard at, and it is reflected in this budget, we are convinced that if we can keep the size of the government down, that is one of the surest ways we have of controlling costs. It is just about the only way we have of controlling costs.

Mr. Kimmerly: To complete the line of questioning then, I have two more specific questions. After the revenue acquired in the territory increases in the future, if it does, I take that we can expect a corresponding reduction in the federal transfer payments so that it approximates the 50-50 level of 1982/83 and previous years. I would ask the government leader to either confirm that statement or point out the error, if any. The second question is: if the revenues did increase and the mines got operating again, would it be possible or likely in future years that the two percent income tax increase

might be rolled back?

Hon. Mr. Pearson: I thought the first question was kind of tough but certainly the second one is by far the tougher one because we are looking at crystal balls. I just cannot possibly guess at and I cannot commit anyone or even guess at whether a future government might want to, or even this government at a future date, roll back that tax. I can tell you that there has not been a province in Canada that has been able to roll back personal income taxes. We are now at 45 percent of the federal tax; Newfoundland is at 60. Save and except for Alberta, which is at 38 — and everyone knows their very fortunate circumstance in respect to finances — and the NWT, which has remained at 43, we are the lowest in Canada. All of the others find it necessary to be above, and also on top of that all of the others find it necessary to have sales tax. We, along with Alberta, are the only jurisdictions in Canada that do not have sales tax. Our fuel taxes are the lowest in Canada. I believe they are the lowest in Canada, bar none. We have tried to keep those taxes down because people need the fuel.

It is a case of trying to pick and choose where best to go for taxation. How long that taxation might be there, I really have no way of knowing. I would suggest to you though that if we are ever going to get back up close to 50-50, and I think that is a reasonable area for this government to be in, I think it was our experience when we were deriving approximately 50 percent of our expenditures by local taxation, we had some pretty good budgets. I think we were able to accomplish a fair amount and I know that the federal government is interested in getting into a formula financing situation with us that would very likely use one of those years when we were in approximately a 50-50 position as a base year.

We are busy looking at what has to be done in view of this economic downturn because in all of the discussions of formula financing during 1980 and 1981, there was never ever any talk about what would happen if in fact Yukon's economy did an about face like it did in 1982 and we are having a relook at the formula financing situation now. We are going to be in fact renegotiating, or doing some further negotiating, with the federal government and the Department of Finance in respect to a formula.

Certainly one of the things we are going to be very cognizant of this time around is what happens when we have recessions and how, because it is obvious this time, that given the right set of circumstances in Canada, recessions can affect Yukon. There have been a few that have not but this one certainly did. I would think it is fair to assume that if we can get ourselves back to — and that is going to be our objective — a 50-50 proposition in respect to transfer payments then we are in a pretty realistic state at that point in time.

Mr. Kimmerly: Last year, the per capita cost of YTG was approximately \$5,000. In the provinces, it averages out approximately \$3,000 per person; Ontario being \$2,600 as the lowest, and Alberta slightly over \$4,000 as the highest. This year, the figures, if the projections are right, go to over \$7,000 per capita. Is it implicit in the government leader's previous statements about the unusual situation, that our goal is to go back to approximately a \$5,000 level in normal circumstances, or is there an objective at all in this regard.

Hon. Mr. Pearson: I personally would fight all suggestions that there should be any comparison, aim or objective in this regard, mainly because, when you start talking about using percentages in a country of 25,000,000 people, and tack that on to a territory of 25,000 people, percentages are grossly unfair. It is no accident that Ontario has the lowest per capita government cost, because it is the largest province. It is a fact of life. It really is. Our costs are going up dramatically this year, in spite of the fact that we are going to have less government. We are spending an awful lot of money that this government would not normally spend in a normal year. We would not be budgeting a million dollars for a Cyprus Anvil make-work project in a normal year. We would not be anticipating the expenditure of another \$3.5 or \$4.5 million on make-work projects. We would not have budgeted three quarters of a millions dollars that is already in that budget for make-work projects. We have not done that in the past, and hopefully we will not have to do that in the future.

To suggest that this is some kind of incompetency on the part of the government of the day, because all of a sudden the cost per capita has gone up, is simply a case of playing with numbers. It is misleading, and it is not the truth. If you want to figure out what the government costs, then you should work on the costs of every program in the government. See how much our costs have gone up for road maintenance. See how much our costs have gone up for social assistance. See how much our costs have gone up for justice. These are government programs. Make-work projects are not government programs.

Mr. Byblow: I have a couple of questions. The first one deals with the financial position of the territory as it is now. I think the government leader has made the point that we are in a relatively healthy, financial stature now compared to four months ago. In addition to the \$7 million that was received in supplementary financing, we have the additional \$22 million transfer payment showing up in this budget. I would be curious to hear from the government leader what direct impact that has had on the problem that we faced last fall relating to our cash flow. The government leader will recall that we were facing a period, because we were using up previous year's surplus by doing capital advance funding, we were facing a rather precarious position in a cash flow situation. As a result of the supplementary financing of the \$7 million, and the anticipated transfer payment of the \$22 million, what has this done to our current cash position?

Hon. Mr. Pearson: The \$7.35 million had an effect on our cash flow, but not the \$22,000,000. He is talking about another year. The \$7.35 million is what affected our end-of-year position so dramatically. We anticipated, as I told the House in the fall when we presented the budget, that if we got nothing in respect to supplementary estimates from the Government of Canada, we thought that we could end the year with \$500,000 in the bank, a ridiculously low figure for a government with a budget of \$120,000,000, and an absolutely precarious position to be in.

It dictated to us that we had to reduce our payroll in August of last year by 10 percent to make sure that we could meet all of our payroll payments until the 31st of March. The nine-day fortnight was not a lightly-taken decision. It was done specifically because we knew that if we did not do it we would have absolutely no way of meeting our payroll; none. We could not borrow the money; we did not have the legislative authority yet to do that, and we have a responsibility to make sure that we can meet our debts. That is what responsible government is all about.

The \$7.35 million really came too late to help us do the kinds of things we thought we could do over the course of the winter in respect to make-work projects. It is one of the reasons why we have left the money as a free balance in this budget, so we can get at these jobs just as quickly as we possibly can with the federal government now.

We are in a position to say to the federal government, "Look, we have some money, and we want to know how we can participate with you in make-work projects." They have schemes all across Canada; all of the provinces are taking advantage of them. What is happening now is that we are going to be in a position to take advantage of those kinds of programs, a position that we were not in until we got the \$7.35 million. Really, all the \$7.35 million did was allow us to finish off the year with a reasonable working capital position for this year. That is what it was all about.

Mr. Byblow: Extending from that, and this may be an incredibly naive question, would it be correct to assume that the \$7.35 million that was advanced in the last fiscal year was not necessarily all used up and is now contributing to the surplus position of this fiscal year?

Hon. Mr. Pearson: Yes, the final supplementaries and the territorial accounts will reveal a working capital position on March 31st — I am guessing now because I cannot recall the figure — probably between three and a half and four million dollars. Sure, that is just money that we carry forward into the next fiscal year; that is our working capital.

Mr. Byblow: I have a question extending from the formula financing and extending into the general development agreement. I am not trying to draw an assumption from one to the other, but in

light of what the government leader has described as developing negotiations towards formula financing where, as I understand it, a base is established in the various programs that essentially amounts to the normal amount, given growth increases each year, that will always be supplied in future financing.

In that the very healthy position has been negotiated in the territory's finances facing this year, albeit a very difficult year — and as the government leader described it, a "worst scenario case" — what impact may that have on the GDA? Would it have any? Would I be completely wrong in making any assumption that this may be some form of substitute for that? If so, I would be worried.

Hon. Mr. Pearson: No, this has no impact on the GDA, nor impact on this budget, other than we know that if we are successful in negotiating what we hope we can negotiate in the GDA, it is going to cost the territory some money, because all of the GDA agreements are cost-sharing agreements. The federal government puts in 85 per cent; we put in 15 per cent. If we are lucky, the federal government puts in 95 per cent and we put in 5 per cent. Each agreement might be negotiated on a different basis but each agreement requires us to spend money. Some of that surplus money that we have, we hope fervently, is going to be spent on GDA programs this summer. For our Tourism Subsidiary Agreement — we are very anxious to activate that — is going to cost us territorial money. The GDA is something outside of the budget except for the territorial government's share. That is all that is reflected in the budget.

Mr. Byblow: Just very briefly on the GDA, does the government leader sincerely believe that this is an immediate set of negotiations that will be completed within the next few months?

Hon. Mr. Pearson: Yes, I don't think it is going to take all that long to get the GDA in place. There has been a lot of preliminary work done, a tremendous amount of preliminary work has been done. Some sub agreements have been completed already. The Tourism Sub Agreement is a good example of one that has been completed already. To get the general agreement I do not think is going to take very much time. The sub agreements, of course, will just flow from the GDA as time goes on. It is anticipated that this is going to be a five-year agreement, so we are talking about a pretty important set of negotiations. We do not want to rush them unduly but we are anxious to get the thing signed as quickly as possible and so is the federal government. The other departments of the federal government that want to participate with Yukon in things like tourism subsidiary agreements are very anxious that we get this development agreement signed so that they can, in fact, participate with us.

Mr. Byblow: The government leader mentioned a five-year agreement and I understand from previous discussion that this could very well be in a magnitude of 20 to 25 million dollars. Is that correct?

Hon. Mr. Pearson: It could be double that. I think that if we are talking of a realistic economic development agreement for Yukon, we should be talking in the magnitude of double that amount of money.

Mr. Byblow: I suppose this government has taken some amount of criticism about economic planning and long term development. Is it the intention of the government to reveal any of the initiatives within that GDA, in the immediate future, or is that something we are simply going to have to wait for until it is a public document?

Hon. Mr. Pearson: One of the things that I had to decide in respect to strategy was whether or not we should table at this session an enabling bill, because there is probably going to be one required to allow us to enter into an economic development agreement. I felt that we should not table the bill until we had an agreement that could be tabled with it. I felt that we owed that to the opposition. If we are asking them to allow us to enter into a development agreement of the magnitude that this one is going to be, I would like to be able to table the agreement along with the enabling legislation, so that the members opposite know exactly what we are getting into. I might as well put you all on notice now this may well mean a special session during the course of the summer sometime, maybe early on, to enact this coming legislation

so that we can enter into the agreement. That will be the price that we will have to pay for the information.

Mr. Byblow: I am sure the government leader knows that for a purpose of discussing and approving enabling legislation to see economic development programs get underway there is going to be very little hesitancy to race the government leader to the House in the summer.

Again, going back to the question of the current financial health and an earlier comment from the government leader relating to the worst possible scenario of this budget being the absence of many major mines operating, I would like to ask the government leader if he has had any indication from the federal government that this relatively healthy financial stature of the territory this coming year may in any way have had an influence on the urgency of federal assistance to Cyprus Anvil. I ask this in seriousness because I have had some comment in this context, and perhaps it was more political and more posturing than serious, but simply that if the territory is so well off why must we help it even more?

Hon. Mr. Pearson: The only suggestion that there has ever been that this territory was so well off that it should bail out Cyprus Anvil has come from a specific number of bureaucrats in the federal government in Ottawa. I have visited 13 federal cabinet ministers in respect to Cyprus Anvil. Not one has ever asked me what the government of Yukon was doing to bail out Cyprus Anvil, because they are realistic people; they are down to earth people and they know that it is not the responsibility nor the province of the government of Yukon to bail out Cyprus Anvil. We have done this simply to try and get the bureaucrats on our side in Ottawa, moving towards getting this thing resolved. Now, if any member of this legislature thinks that our \$1 million is the thing that makes Cyprus Anvil go or not go, they are dreaming, because we are talking about \$50 million, and whether the Yukon government has put in that \$1 million or has not put in that \$1 million, it is strictly a token. That is all it is. It does not determine whether Cyprus Anvil is going to get bailed out or not. Now, I am serious about this. I have not had that question asked me by anyone except bureaucrats and the member for Faro.

Mr. Byblow: I have this sudden strange sensation of being associated with bureaucrats; Ottawa ones even. I think probably the government leader sincerely believes what he is saying and perhaps we do differ in that I believe that any initiative shown by this government, along with the other participants, is a contributing factor to that very important cornerstone of recovery.

I want to just touch on another area relating to, and extending from, the Cyprus Anvil question on the one hand and the general economic scene on the other. It has become a matter of considerable debate over the past 10 months that our energy and transportation costs in the territory are exorbitantly high, and it is another area where this government is limited in its power to affect that. Have there been any recent discussions respecting energy development or support from the federal government to NCPC *vis a vis* the Penner Report, or are we going to wait for the next study? At the same time, what intentions does this government have with respect to the road access to tidewater over the rail should that become a requirement in the immediate future?

Hon. Mr. Pearson: In respect to electrical energy, the Minister of Indian Affairs and Northern Development has made it very clear that he does not intend to say anything at all or to react in any way, shape or form to the Penner Report until he receives the result of a study he has commissioned to study the Penner Report. I am hopeful that that study about the study is done very quickly so that then we can begin to study the study of the study. We are really spinning our wheels, so we are going around in circles. It is too bad we could not generate electricity like we can generate studies; we might be all a lot better off. However, that is an issue that really is in the Minister of Indian Affairs and Northern Development's court; that ball is in his court. There is nothing we can do other than petition him, which we have done on numerous occasions in respect to our support, not only for specific items but for the Penner Report generally. We have made our position in respect to the Penner Report very clear to the Minister of Indian Affairs and Northern Development on a number of occasions, and to the government of

Canada.

In respect to transportation, the member, I am certain, remembers that I stated in my Throne Speech that we have petitioned the Canadian Transport Commission and sought its advice and asked for their expertise to help us to determine exactly what should happen to the transportation infrastructure in Yukon; not only the railway, but all of the transportation infrastructure.

We have been advised that our pleas have been heard by the Canadian Transport Commission and I anticipate receiving official word from them in the very near future that they do intend to do a study as we have requested on Yukon's transportation infrastructure and, hopefully, we will be able to get some advice from that study that will tell us exactly where we should be going and why we should be going that way.

Mr. Byblow: I would move that you report progress on Bill No. 5.

Motion agreed to

Hon. Mr. Lang: I would move that Mr. Speaker do now resume the Chair.

Motion agreed to.

Mr. Speaker resumes the Chair

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

May we have a report from the Chairman of committees.

Mr. Phillipsen: The Committee of the Whole has considered Bill No. 4, *An Act to Amend the Territorial Court Act* and directed me to report the same with amendment; further it has considered Bill No. 5, *Second Appropriation Act, 1983-84* 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. Ashley: I move, seconded by the Hon. member for Porter Creek West, that the House do now adjourn.

Mr. Speaker: It has been moved by the Hon. Minister of Justice, seconded by the Hon. member for Whitehorse Porter Creek West, that the House do now adjourn.

Motion agreed to.

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

The House adjourned at 9:28 p.m.

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The following Legislative Return was tabled April 11, 1983:
83-3-20

Survey Questionnaire re training and skills for Beaufort Sea activities (Pearson); Oral, Hansard p.9, March 23, 1983

The following Sessional Paper was tabled April 11, 1983:
83-3-10

Clerk of Assembly: Report on Deductions from Members' Indemnities made pursuant to the Legislative Assembly Act (Taylor)

