



The Yukon Legislative Assembly

Number 13

2nd Session

25th Legislature

HANSARD

Tuesday, November 23, 1982 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER — Honourable Donald Taylor, MLA, Watson Lake

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

CABINET MINISTERS

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

GOVERNMENT MEMBERS

(Progressive Conservative)

Bill Brewster	Kluane
Al Falle	Hootalinqua
Kathle 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
Tuesday, November 23, 1982

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

Mr. Speaker: We will proceed at this time to the order paper.

ROUTINE PROCEEDINGS

Mr. Speaker: Introduction of guests?

INTRODUCTION OF VISITORS

Mrs. Joe: I would like to take this opportunity to welcome some visitors to the gallery. They are the Adult Academic Upgrading Class from Kishwoot Hall, who are in an extension of a vocational school program. I would like to welcome them to the House today.

Applause

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

TABLING OF RETURNS AND DOCUMENTS

Hon. Mr. Lang: I have for tabling a legislative return respecting some questions by Mr. Kimmerly, having to do with government leased cars and the liquor corporation.

Mr. Speaker: The Chair also has for tabling a letter directed to the Solicitor-General of Canada respecting the privileges of the Yukon Legislative Assembly.

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

Reading or receiving of petitions?

Are there any introduction of bills?

⁰² Are there any notices of motion for the production of papers?
 Notices of motion?

Are there any statements by ministers?

MOTIONS UNDER STANDING ORDER 31

Mr. Porter: I rise under the provisions of Standing Order No. 31 on a matter of urgent and pressing necessity. Whereas a number of Yukon communities outside Whitehorse are served by health centres staffed by a single nurse on call seven days a week, 24 hours a day; and whereas the communities of Ross River and Carmacks are in desperate need of additional nursing staff due to the work overload; and whereas the federal government has withdrawn the funding which allowed these centres to hire casual nursing help: I move, seconded by the member for Faro, that this assembly urge the Government of Canada to reinstate the funding for the purposes to allowing Yukon communities to have access to casual nursing help and to reduce the work overload of existing nursing staff in Ross River and Carmacks and to take such further steps as are necessary to ensure that the residents of those communities no longer suffer from severely limited health care.

Mr. Speaker: Such a motion, to be presented under Standing Order 31, would require unanimous consent of the House. Does the hon. member have unanimous consent?

Some Members: Agreed.

Some Members: Disagree.

Mr. Speaker: I am sorry, the motion can not carry.

Mr. Speaker: Are there any statements by ministers?
 We will now proceed to the oral question period.

QUESTION PERIOD

⁰³ **Hon. Mr. Pearson:** Thank you very much, I appreciate the opportunity to rise first because I would like to correct an answer I

made yesterday. It was in respect to a question asked by the hon. leader of the opposition. The question was "I wanted to ask the government leader a direct question. Did he or a member of the Cabinet or a member of the Cabinet office provide such a list to the member of Parliament for Yukon? It is a direct question." I answered no. I have been since advised that the list in question which I knew the member of Parliament had was provided by a member of the Cabinet office. A researcher procured the list from the Department of Education and forwarded it to Mr. Neilson.

I would like to say that I have also found out from the Department of Education that they send a similar list, in more detail — because the list that was sent to Mr. Neilson was for students from grade eight to university — to the Department of Indian Affairs and Northern Development every year. It is of every student in the Yukon school system. Both lists, and they are the only lists that are given out, contain only the names and the addresses of the students and they are deemed to be public knowledge.

Question re: Trapping, using poison

Mr. Porter: I have a question for the minister responsible for Renewable Resources, and I know the minister has a nose for these kinds of questions. Can the minister inform the House if officials of his department had recently given any permission to any individual, other than an employee of the game branch, the right to use poison in trapping wildlife?

⁰⁴ **Hon. Mr. Tracey:** No, there has been no permission given to the best of my knowledge, nor will there be. All the poison used in the territory will be used by the game branch employees only.

Mr. Porter: I hope this next question smells all right to the minister. It has been reported that three dead animals: a wolf, a wolverine and an owl, were found on Kluane lake, and these animals were suspected of having been poisoned. Has his department carried out a wolf poisoning program on Kluane lake and, if not, does he know of anyone else who has used poison in the area?

Hon. Mr. Tracey: I said that when we initiated a poison program I would make it public, and I will do so. My department has not initiated a poison program to this date, and I am aware of a complaint. I was made aware yesterday that perhaps someone else was poisoning, and my department is investigating.

Mr. Porter: I assume that the government will be sending these carcasses outside for testing, and should poison have been found to be responsible for the death of these animals, will his department be proceeding with legal action?

Hon. Mr. Tracey: I think we will have to find out who it was before we can proceed with anything.

Mr. Speaker: I think that the question is quite hypothetical.

Question re: Women's Bureau

Mrs. Joe: I have a question for the minister responsible for the Women's Bureau and it is in regard to a question I asked last week.

On December 16th, last year, the minister then responsible for the Women's Bureau identified a research project on participation of women in the Yukon labour market. Can the minister tell us if this project is now complete?

⁰⁵ **Hon. Mr. Ashley:** There was, certainly, a program undertaken. The final report was never made. The project is not currently even being worked on by anyone due to cut-backs and restrictions in the department and the move of the department. The Women's Bureau, at the moment, does not have the resources to continue this program.

Mrs. Joe: Is it the intention of the department to continue with this program when money is available.

Hon. Mr. Ashley: If money becomes available, I see no reason not to continue.

Question re: Employment standards

Mr. McDonald: I have a question for the Minister of Consumer and Corporate Affairs, Labour Services. I hate to sound like a broken record on employment standards and normally one question a week would be sufficient for my purposes. Yesterday, the minister commented that we already have pretty fair legislation. Does the minister intend by this not to proceed with changes to labour standards?

Hon. Mr. Ashley: At this time, I do not intend to proceed with labour standards legislation.

Mr. McDonald: The minister also commented yesterday that if I had a problem with existing legislation I should bring it to his attention. Is the minister aware that there have been 35 odd documented submissions presented in the last five years, most of them recently, which constitutes a litany of problems and complaints?

Hon. Mr. Ashley: The department does have a number of problems that have been put forward. They are on file, yes.

Mr. McDonald: Again, to the Minister of Consumer and Corporate Affairs: because the process of developing new legislation is proving to be so lengthy and because I wish to save myself a lot of trouble, is the minister prepared to open existing legislation to accommodate any specific changes prior to the promised overhaul of the legislation?

Hon. Mr. Ashley: That would be ludicrous, to open it up for every little point.

Question re: Occupational health and safety

Mr. Penikett: I have a question for the same minister, responsible for the Workers' Compensation Board and Occupational Health and Safety; which minister, it appears, has indicated reluctance to deal with some of the serious work environment issues in Yukon.

I would like to ask the minister, as a matter of policy, does this government support the principle recognized elsewhere in this country of a worker's right to refuse unsafe work?

Hon. Mr. Ashley: Yes.

Mr. Penikett: If that is the policy of the government, can the minister explain then why he does not proceed immediately to enshrine that principle in law?

Hon. Mr. Ashley: At one point we certainly will. There is only so much we can do at one time.

Mr. Penikett: It seems to me that we do a great deal of nothing at the same time.

Last week, the minister told the House that he did not know what a labour code was. Has the minister since found out what the labour code is, and does he intend that Yukon should have one?

Hon. Mr. Ashley: I did not say that I did not know what a labour code was. What I was saying was that it was federal jurisdiction, not Yukon jurisdiction, at the moment.

Question re: Electrical Public Utilities Board

Mr. Byblow: I have a question for the Minister of Consumer and Corporate Affairs in his capacity of having responsibility for Public Utilities Boards.

The mandate of the Electrical Public Utilities Board is to protect the public interests as well as to ensure the right of a utility to earn a reasonable rate of return — and that is nearly a direct quote from the Electrical Utilities Board Annual Report. Can the minister advise the House what the Electrical Public Utilities Board, in its deliberations on rate settings, considers a fair rate of return on equity?

Hon. Mr. Ashley: It is up to the board and their consultants to set that. The government does not have any input into that.

Mr. Byblow: But the board is under the purview of the government. Let me cite an example: the 1981 equity, or the book value, of Yukon Hydro was \$241,000. The company's before-tax earnings, for that same year, was \$266,000, which calculates to over a 100 percent...

Mr. Speaker: Order, please. Is the hon. member now making a speech?

Mr. Penikett: Point of order. I heard the member clearly. He has not even finished a one-sentence preamble.

Mr. Speaker: Order, please. I am asking the hon. member if he is making a speech. If he is, he would be out of order. If the hon. member has a question, would he kindly place his question.

Mr. Byblow: To answer your question, Mr. Speaker, I am framing my question with a couple of statistics necessary for the minister to understand and give me an intelligent answer.

Mr. Speaker: As a preamble to an initial question should take

more than two sentences, a slight sentence is often allowed on a supplementary question. Could the hon. member kindly please place his question.

Mr. Byblow: Considering that over a 100 percent return on equity is calculated on the Yukon Hydro books for 1981, how does the Electrical Public Utilities Board, in fairness to its mandate, justify permitting this unusually high rate of return?

Hon. Mr. Pearson: With the permission of the hon. member, I will attempt to answer his question. Since the inception of the Electrical Public Utilities Board, it has been a policy of that board, one that has been highlighted in every annual report, and one that is quite well known publicly to those people who are interested, that the assets of Yukon Electrical and Yukon Hydro, up until now — as it will have to change in the future — has been lumped as one, when it comes to determining the equity investment of Alberta Power in the territory in respect to the provision of power, and the rate of return that will be established. It may well be that the way the hon. member is reading the annual report it shows up as a 100 percent return on equity for Yukon Hydro, but if he takes a careful look, he will see that the rate of return in respect to Yukon Electrical is something considerably different. That rate of return is set every year by legislation. That board is required to set that rate of return each year. They have to take into consideration a number of factors — they are all listed in the legislation. The hon. member maybe should take a look at it. They determine what a fair rate of return will be. It has varied anywhere from about 14.5 percent to 11 percent.

Mr. Byblow: I will then ask the minister, given the information just provided by the government leader, why is the information pertaining to the lumping of the assets of the two separate companies not included in the annual report of the utilities board?

Hon. Mr. Ashley: They are included in...

Mr. Byblow: No.

Hon. Mr. Ashley: They are included to the board and the board makes the ruling on this one unit.

Mr. Byblow: Why is it not in the report?

Mr. Speaker: Order please.

Question re: Fair Practices Act

Mr. Kimmerly: I have a question for the same minister. On November 16, I asked about a new fair practices ordinance and the minister stated that the department was working on it. Which department of which ministry is working on it?

Hon. Mr. Ashley: That comes under Consumer and Corporate Affairs.

Mr. Kimmerly: Will the minister say whether or not there will be a bill in the expected life of this legislature?

Hon. Mr. Ashley: That depends on an awful lot of things. I would expect so, but I really do not know at this time.

Mr. Kimmerly: As the minister does not know, could he say if he wishes, or if it is the minister's policy, to bring in a bill in the life of this legislature?

Hon. Mr. Ashley: That is why we are working on it: to see if it can.

Question re: Secret handbook on ethnic groups

Mr. Porter: My question is directed to the Minister of Justice. The RCMP has had access to the secret federal handbook on ethnic groups which was originally produced in 1960 under the Diefenbaker government. Has the minister checked with the Solicitor-General's department to see if the handbook was used in the Yukon?

Hon. Mr. Ashley: Sorry, I missed the first part of the question.

Mr. Porter: For the benefit of the member, I will reread that question. The RCMP has had access to the secret federal handbook on ethnic groups, which was originally produced in 1960 under the Diefenbaker government. The question is: has the minister checked with the Solicitor-General's department to see if the handbook was used in the Yukon?

Mr. Porter: Will the minister urge the federal Solicitor-General to notify any Yukoners who might have been affected by the information in the handbook so that they can respond to any

statements about them which they might disagree with?

Hon. Mr. Ashley: I will get back to you on this after I have found out just exactly what this handbook is. As it is, I have no previous knowledge of it. I have never heard of it.

Mr. Porter: My apologies, I thought it was a practice for the minister to read the *Globe and Mail*. Would the minister investigate to determine whether information such as the material in this secret handbook is currently collected by the RCMP in the Yukon when he looks at this question?

Question re: Peterson Report

Mrs. Joe: I have a question for the Minister of Justice. Yesterday the minister said that the Peterson Report was not going to be available to the public. Can he tell us if it will be made available to the members of the opposition?

Hon. Mr. Ashley: Before it is made public, if it ever is, the opposition will certainly get a copy.

Mrs. Joe: Having now spent \$15,000 to have two people from B.C. study our court backlog problem, can the minister state when he will be making a decision on the implications of the report's recommendations?

Hon. Mr. Ashley: I have made some already, and I will be following up on the report.

Question re: Labour standards

Mr. McDonald: I have a question for the minister responsible for labour services. Yesterday, I put a question to the minister regarding labour standards exclusion for the Columbia Gas Development of Canada Limited. The question today is: upon being advised by the Labour Standards Advisory Board, did the minister request pertinent information regarding the exclusion from maximum hours of work to ensure that the advisory board had not exceeded its legislative authority?

Hon. Mr. Ashley: I looked at the order-in-council that was presented to me and it was presented under subsection 6(2) of the *Labour Standards Act*, and that means the board has just about total jurisdiction there. That is all I need to know that happened.

Mr. McDonald: As the irregular distribution of hours comes under section 7(1) of the act, and as this order-in-council makes allowances for the irregular distribution of employees' hours of work over a 26-day period, did the minister request information from the employer to justify this exclusion?

Hon. Mr. Ashley: As I just said, I left this up to the people who do know which section it should be coming under.

Mr. McDonald: Again, I say that perhaps the minister or his department should check into section 7(1) to see whose responsibility it really is.

Can the minister tell the House how and to what extent the workers were consulted prior to issuing the order-in-council, regarding the averaging of their hours of work over the 26-day period — and remember, I am not asking whether they were consulted, I am asking how, and to what extent, they were consulted?

Hon. Mr. Ashley: This is all totally the board's responsibility, as I stated previously.

Question re: Judicature Act

Mr. Penikett: The minister may want to check himself on that. I have a question for the same minister. The minister intrigued us all last week by refusing to reveal the make-up of his "in-house" confidential ministerial committee, which is examining the *Judicature Act* and the *Territorial Court Act*. Is the minister now prepared to reveal a little more about the make-up of that committee — who is on it?

Hon. Mr. Ashley: It is a ministerial advisory committee. I will tell the members opposite one member who is on it is the president of the Law Society.

Mr. Penikett: Since the minister has not said on what basis he chose the members, or on what basis he chose not to tell us the rest of the members, is the minister prepared to consider making his committee a little more representative by including people other than "personally selected certain members of the Bar?"

Hon. Mr. Ashley: As I said, it is a ministerial advisory committee. It is my choice who sits on it, and where I get the advice from.

Mr. Penikett: A secret committee from a government that believes in open government.

Does the minister expect this committee to make only confidential findings or will he be undertaking to table that committee's findings in this House?

Hon. Mr. Ashley: As I said, it is a ministerial advisory committee. It is an advisory committee to me to help me in my duties as the Minister of Justice, in regard to the *Territorial Court Act*. You will be noticing legislation come before you at one point that my committee will have looked at.

Question re: Motor Vehicles Act

Mr. Byblow: I have a question for the Minister of Justice. The minister is no doubt aware of sections of the *Motor Vehicles Act* and the MVA regulations which provide for assessment of demerit points against persons convicted of driving offences on, or after, April 1, 1980. Does the minister know, and would he advise the House, why these sections are not being enforced?

Hon. Mr. Ashley: The program is in a computerized state. It is waiting for a total thing within the department to all fit into place before that can actually be implemented. The whole system has to be implemented.

Mr. Byblow: I am not too clear. What steps is the minister taking to ensure that the system is implemented?

Hon. Mr. Ashley: One of the things that is restricting it is money. It is waiting for the total computer model to be fit in place in motor vehicles. We just restructured the department on the motor vehicles side.

Mr. Byblow: Unfortunately, I am not still not clear if the minister intends to have this law enforced. Could he answer that and, if not, does he intend to take them off the books?

Hon. Mr. Ashley: We are trying to work it into the system, as I have been saying. Obviously, we intend to have them in place.

Question re: Fair Practices Act

Mr. Kimmerly: Again, about the *Fair Practices Ordinance*, does the minister know if the department has now reached the stage of collecting the legislation of all of the other provinces?

Hon. Mr. Ashley: Yes, it has been gathered.

Mr. Kimmerly: Is the department looking at the question of affirmative action programs for Indian people in the civil service?

Hon. Mr. Pearson: In committee, yesterday, we talked at some length about affirmative action programs in this government, and also, specifically, about affirmative action programs in respect to Indian people.

Mr. Kimmerly: I am aware of the Public Service Commission discussions. The question obviously has implications under the *Fair Practices Ordinance*. Is the minister's department looking at the civil rights implications of these programs?

Hon. Mr. Ashley: As we review legislation, yes, along with the other provinces' legislation. We are looking at it all.

Question re: Transport Public Utilities Board

Mr. Porter: My question is to the Minister of Consumer and Corporate Affairs. On November 3rd, 1982, my colleague, the member for Whitehorse South Centre, brought to your attention certain inequities in the treatment of Yukon truckers in B.C. as compared to B.C. truckers operating in Yukon. The minister indicated that the Transport Public Utilities Board would be examining the problem of Yukon truckers being charged a B.C. sales tax of as much as \$7,000. Has the Transport Public Utilities Board made any policy suggestions to the minister yet?

Hon. Mr. Ashley: At this point it has not, but it has another meeting in the early part of December, at which it hopefully will.

Mr. Porter: Has the minister contacted his counterpart in British Columbia regarding the matter?

Mr. Speaker: I will allow that question, but I wonder if the hon. member would kindly first be recognized by the Chair. I will allow that answer.

Hon. Mr. Ashley: I am waiting for advice from my own board first before I make an advance to the other minister.

Mr. Porter: My apology Mr. Speaker, I just simply got caught up in the momentum of the question period.

Has the minister taken any concrete action regarding the disparity between B.C. and Yukon truckers concerning the number of trips allowed in a year?

Hon. Mr. Ashley: Other than just talking with my board, I have not, as I answered previously.

Question re: Women's Bureau

Mrs. Joe: I have a question for the minister responsible for the Women's Bureau. On March 28th, 1979, this House passed a motion urging the government to develop an affirmative action program for women in the public service of Yukon through the Women's Bureau. I would like to ask the present minister responsible for the Women's Bureau whether he agrees with the 1979 resolution?

Hon. Mr. Ashley: Yes.

Mrs. Joe: Does the minister agree that an affirmative action program means special and remedial efforts to ensure women are represented proportionately throughout the public service?

Hon. Mr. Ashley: It is all being looked at, as I said. It depends on exactly what the report says. I would have to dig the report out and go through it.

Speaker's Ruling

Mr. Speaker: I would like to point out that questions asking opinions of the minister about government policy are probably out of order.

Mrs. Joe: Is the minister responsible for the Women's Bureau prepared to argue forcibly with the minister responsible for the Public Service Commission to have a true affirmative action program instituted in the Yukon Public Service?

Hon. Mr. Ashley: I do not think I will have to argue that point at all with the minister.

Question re: Meat inspector

Mr. McDonald: I also have a question for the Minister of Consumer and Corporate Affairs.

Will the minister consider petitioning the federal government to provide for a local meat inspector so that Yukon livestock raisers will be able to sell their meat in Yukon commercially?

Hon. Mr. Lang: I think that that should be more properly addressed to me. It has not really come forward as a problem so far, but it is becoming a question, and the Agriculture Development Council, over the course of time, will, I am sure, be looking into just exactly what should take place, if it is necessary.

Mr. McDonald: To the same minister, then: has the minister examined providing licensing procedures to accommodate the sale of wild game in commercial ventures such as restaurants?

Hon. Mr. Lang: I think we have made our position very clear. We do not believe in the commercial sale of game. Perhaps the member opposite does not share that view.

Mr. McDonald: A conference for persons interested in promoting tourism in Yukon held, I believe, recently, in Whitehorse, expressed some fascination at the prospect of local wild game restaurants. Will the minister undertake to study the feasibility of the proposal and report back to the House before the end of this session?

Hon. Mr. Lang: It has been raised with my colleague but, at the present time, the sale of commercial game is against the law and I would be prepared to provide the member with the appropriate section of the *Wildlife Act*. At the present time, we are not changing our policy unless something comes to our attention that we are not aware of.

Question re: Food Prices Review Committee Report

Mr. Penikett: I have a "grub" question, too. I would like to ask the Minister of Consumer and Corporate Affairs if he has, as yet, read the Food Prices Review Committee Report of the last

legislature?

Hon. Mr. Ashley: I do have it on my desk, yes.

Mr. Penikett: Perhaps he could get his deputy to read it to him. When will the minister make announcements about specific recommendations in the report that he intends to implement?

Hon. Mr. Ashley: As soon as I can, I will.

Mr. Penikett: Has the minister, based on any meagre information he may have obtained about this report, reached any conclusions about any of its recommendations, particularly those that he may recommend to this House in this session?

Hon. Mr. Ashley: At this time, I think it would be wrong to do that.

Question re: Workers' Compensation Board

Mr. Byblow: I have a question for the minister responsible for workers' compensation. Several constituents of mine have noted to me that the allowances paid to workers travelling for WCB purposes are woefully inadequate. I would like to ask the minister if it is the intention to update this aspect of WCB regulation, to provide for adequate travel allowances?

Hon. Mr. Ashley: The Workers' Compensation Board is an independent board and they make decisions as an independent corporation as well.

Mr. Byblow: Well, perhaps the minister will relay the concerns of my constituents. Another constituent of mine, involved in a case where he was classed as unfit to work in his trade, following an accident, and while awaiting a retraining program, was told by WCB that he would be required to apply for unemployment insurance in order to supplement his income for that interim period. Will the new act that the minister is proposing to table make the WCB more responsible for paying the injured workers rather than trying to pass off the responsibility to the UI program.

Hon. Mr. Ashley: In reply to his first comment, yes, I will relay the concerns to the board. In reply to his second, he will find out when the legislation is tabled.

Mr. Byblow: In response to the minister's response to my first question, I would point out to the minister that the government writes the regulations pertaining to travel expenses.

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

Mr. Byblow: But I do have a question. Is the minister planning to expand the Workers' Compensation Board in order that the rural regions of Yukon are more adequately represented?

Hon. Mr. Ashley: The answer is no.

Question re: Expropriation Act

Mr. Kimmerly: A question for the Minister of Consumer and Corporate Affairs about the *Expropriation Act*. The *Expropriation Act* allows for expropriation for, and I quote, "the public purposes of the territory". Is the minister planning to restrict or elaborate on this in view of the party's position on constitutional guarantees of property rights?

Hon. Mr. Ashley: No, we are not.

Mr. Kimmerly: Is the minister considering clarifying the law which specifically allows expropriation of homes to allow that only for certain restricted purposes?

Hon. Mr. Ashley: If we deem it necessary, we may do it.

Mr. Kimmerly: Will the minister consider provisions calling for public hearings where expropriation of private homes is contemplated?

Hon. Mr. Ashley: If it is necessary, yes, we will. If you have a concern on this, please bring it forward.

Question re: Justices of the Peace

Mrs. Joe: I have a question for the Minister of Justice. Can the minister tell us if it is the intention of this government to appoint JPs as family court judges, as requested by the courts?

Hon. Mr. Ashley: That is being looked at now.

Mrs. Joe: Because the request was made more than two years ago, can the minister tell me when we can expect those appointments to be made?

Hon. Mr. Ashley: I missed the first part of the question.

Mrs. Joe: The question again was: because the request was made more than two years ago, can the minister tell me when we can expect those appointments to be made?

Hon. Mr. Ashley: As I said, I am looking at that situation right now and that may mean that we do not do it. I cannot tell you that right now.

Question re: Fair Practices Act

Mr. Kimmerly: A simple question about the *Fair Practices Ordinance*. Is the department also looking at the question of property rights in respect to a Yukon civil rights code?

Hon. Mr. Ashley: I think I answered the question previously. We are looking at all aspects of it right now. When we deal with it, that should be dealt with at the same time.

Mr. Kimmerly: Will the minister say, specifically, if the department is working on the question of property rights in this context, or not?

Hon. Mr. Ashley: I cannot say whether they have or have not done it. As I said, it is being looked at. It is one of the issues in the human rights legislation. That will be looked after.

ORDERS OF THE DAY

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 the House resolve into Committee of the Whole.

Motion agreed to

COMMITTEE OF THE WHOLE

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

Recess

¹⁵ **Mr. Chairman:** I will now call Committee of the Whole to order.

Public Service Commission — continued

Mr. McDonald: Various ministers, at various times, have discussed the existence of the merit system. Is this system universal throughout the government services, all departments, all job classifications?

Hon. Mr. Pearson: The merit system applies to those employees of the Government of Yukon who do not come under the collective agreements that we negotiate with groups of employees in the territory. We have a classification of employees, some 115 strong, that the merit system, if you will, applies to. It is there, primarily, because in the collective agreements there is a step system that applies, where increments are granted each year on an incremental basis.

Mr. Penikett: Surely the government leader did not mean to say that the union members are not covered by the merit system? Surely, the merit system applies in respect to hiring and promotion, at least, I should certainly hope that it still does.

Hon. Mr. Pearson: I believe what the hon. member was asking was about the merit system that we have in place for managerial exclusions. That is what has been referred to by each of the ministers for increases in their departmental budgets. There are those merit increases that are reflected in salary increases. The normal collective bargaining increases are reflected generally throughout the budget. The changes, particularly in the administrative section of most departments, are reflected, this year, by the merit increase, because there has been very little in increases as a result of the nine-day fortnight.

Mr. McDonald: What is the formula used to determine the amount of the merit award? What determination is used to evaluate merit and is there a universal system?

¹⁶ **Hon. Mr. Pearson:** Again, it is a management tool, and a way to reward people who are not beneficiaries of collective agreements. Our particular system is one that allows for the responsible minister to make a recommendation to me that people who come under the scheme get anything from zero to a maximum of — Mr. Besier tells me ten percent — of ten percent. We allow each department an average, then, of four percent. We budget for them to provide merit increases averaging four percent for whatever number of employees they have. So that is really what it works out to. Merit increases usually work out to an average of about four percent per year.

Mr. Penikett: I do not want to pursue the point *ad nauseam* but the government leader may want to reflect on the remark he made in the beginning, in answer to Mr. McDonald's question. I know he referred to the merit system applying to the management exclusions.

I want to be careful about what goes on the record about the use of the word merit system. Merit system, as I understand it, normally, to the public service, is one of two systems: there is the patronage system or a merit system. The merit system is where employees are hired on the basis of their ability and their competence and their qualifications. The patronage system is the one that operates in the upper reaches of the United States' bureaucracy, still, and is one where people are hired rather on the basis of partisan performance. The government leader, I am sure, would want it put on the record that we still have a public service in the territory which operates under the merit system.

Hon. Mr. Pearson: I appreciate the leader of the opposition giving me the opportunity to put it on the record, but we did, in fact, have a discussion when we last sat about the role of the Public Service Commission in respect to the certification of the qualifications of employees. I certainly do not want to leave any impression that we hire incompetent people. It is, in fact, quite the opposite. We are criticized on occasion because we do demand a high degree of competency in our public service, and I know that we do have that.

Mr. Penikett: I was almost beginning to get alarmed that the government leader would not categorically reject the patronage model, but anyway, I will not pursue that now.

The other day I did ask him a number of questions during question period concerning possible changes that might be considered in the *Public Service Commission Act*. One I referred to was the court ruling on the question of promotion to a probationary position for the purpose of dismissal, something that would be at issue if a case went to court, on which a court or two have ruled is not proper. I also ask the government leader if he was considering changes concerning the two successive probation periods which may be required to be served by a person. And I particularly wanted to know about the efficacy of this measure. In other words, does it serve the purpose for which it was designed?

We also had a disagreement about rights of appeal. It is still my understanding that in respect to appeals on things like promotion and job assignments, and perhaps even certain kinds of appeals for dismissal, that federal government employees have a greater range of options under the federal act than do territorial government employees. If I am wrong on that score, I would be pleased to be corrected, and in fact, I would be prepared to go and beat up my advisor on this question.

¹⁷ **Hon. Mr. Pearson:** I do have some notes that were provided to me as a result of the questions. In respect to rejection during probation when a person has been promoted, if the reasons for the rejection or the dismissal are incompetence, we do try and find another job in service which the person can handle. This has happened in the past and, I guess, it is the application of the Peter Principle. It is regretful when it happens, but it does happen sometimes.

Any guarantees are spelled out in section 120 of the *Public Service Commission Act* and they only apply to employees with five or more years of continuous service with the territorial government, so probation periods actually do apply. I would like to point out to the leader of the opposition that there is a great benefit in being able to extend that probation period for an additional six months. It has been my own personal experience that, sometimes, six months is

not a fair time. It is simply not long enough for either the employer or the employee to really make a fair, honest and just assessment. There are many times when that additional six months is required. Sometimes, one month is all that is needed, but in 99 out of 100 cases where probation is extended, it is to the employee's benefit because they end up working their probation period and being confirmed in their job — in far more cases than not, that is the rule.

The federal legislation is essentially the same as ours. The one big difference is, of course, that the federal government, because of its size, finds it easier to provide another job when they do run into the Peter Principle. In effect, employees do not have as hard a time finding a job that they can fit into. The federal government, like us, requires that a new probationary period be served at each appointment and/or promotion. They do allow probationary periods to be waived. We used to, under the old act, but not under the current act.

Mr. Penikett: I would like to move on, in a general way, to another topic, which I first broached during question period. That is the question of the next round of negotiations with the employees of this government.

The government leader, in answer to my questions regarding the "six and five", gave one answer one day, which he clarified the following day, in respect to observance of the "six and five" regime imposed by the federal government. If I am correct, he indicated that if, in fact, we had some very strong financial inducement from the federal government to observe "six and five", we would have to.

However, on the other part of my question about the removal of collective bargaining rights, he was quite categorical in his own view that he would be opposed to that.

¹⁸ It was a commitment I was pleased to hear. I want to ask the government leader a couple of very general questions about the next round of bargaining. I assume that we will have to start thinking about that very soon.

Since the union has indicated a willingness to bargain — and it is hoped that they would not be operating under a law which removed the collective bargaining rights — and since they have indicated, obviously, by their acceptance of nine-day fortnight and other things, an awareness of the financial situation of the government, can the government leader indicate something about the commencement of those negotiations, the character of those negotiations and whether he is in a position to indicate or make a prediction about the tenure of the nine-day fortnight, whether this government has any admitted views about the length of the next contract that should be concluded, whether the length of that contract might be affected by the "six and five" program. I ask that question because I notice there is one employer recently who has concluded in advance of the "six and five" guillotine a three-year contract with their employees, thereby avoiding the force of that law. But there are other groups of employees and employers who have chosen to conclude one-year agreements in order that they provide themselves with an escape hatch, if you like. If the economy recovers and that program ends they are then free to negotiate a new arrangement. Would the government leader comment a little bit, to the extent that he can, generally, about that. I understand that he cannot talk in great detail, but I would appreciate any information he could give us.

Hon. Mr. Pearson: I anticipate, as in other years, we have a contract that expires on March 31st. We normally hear from the collective bargaining unit in late January or early February. I would anticipate that things will be about the same this year. I sincerely hope that we do not have to impose "six and five". I and my Cabinet colleagues will do whatever we can to try and make sure that does not have to happen, but we are under the thumb of the federal government to a very large degree in respect to this. It will depend on some other outside factors or what we perceive might be happening with other collective bargaining units within the Government of Yukon. I am talking now about the public service unions. Generally, we hope that we do not have to go to "six and five". Should we have to go to "six and five", I would anticipate that we could probably do it in such a way that there would still be reason to have meaningful collective bargaining negotiations. I think that it can be done so that it would be meaningful to have some collective

bargaining done.

¹⁹ If we have to go to "six and five", we will be restricting, in the sense of salaries, at least, the collective bargaining rights, in that we would be putting a limit on what they could bargain for. We just do not know at this point. I hope that we do not have to go to it.

Mr. Penikett: I want to take just a minute to explore a small critical difference between wage restraints and wage controls on the removal of collective bargaining rights. I am sure the government leader would want to clarify that even if we are operating under a wage restraint guideline, it is still possible to maintain the right to collective bargaining on non-monetary issues. I just hope the government leader will clarify, for the record, his view that he would want the government, with respect to those rights, to negotiate non-monetary matters even if we are under a wage restraint regime.

Hon. Mr. Pearson: That is what I was saying. I am confident that if we are faced with having to put in wage restraints to meet the "six and five" regime of the federal government, I am confident that we can do it in such a way that we would not restrict the non-monetary rights of the employees in collective bargaining.

Mr. Penikett: Since there have, no doubt, been some fairly extensive communications between officials of this government and the federal government, and even a number at the ministerial level, on the question of the federal "six and five" program. I read somewhere that there had been some official blessing handed down from Ottawa in respect to the nine-day fortnight here. The government leader can correct that if I was wrong. I read a newspaper account which seemed to indicate that somebody, in a position of authority in Ottawa, had indicated that this nine-day fortnight might be within the spurt of the "six and five" program. Has the government leader received that kind of indication formally or not?

Hon. Mr. Pearson: That reminds me that the hon. member had asked me a question about the nine-day fortnight that I failed to answer. We anticipate now that we will remain on the nine-day fortnight until at least, March 31. Sometime prior to that, and certainly it would be with a tremendous amount of discussion with our collective bargaining units, we will have to make a decision as to whether we are going to continue or not continue.

What happened is that we had signed an agreement with our employees that was a ten percent increase and then the federal government came in with their "six and five" program. We said to them that it was our opinion that "six and five" was not fair this year for the Yukon Territory.

²⁰ We pointed out to them the collective bargaining process that had been gone through, how long it had lasted, and how it had been resolved. The nine-day fortnight did not yet come into it and it was perceived that we had met the intent of the "six and five" program when we, in Yukon, had signed an agreement jointly with the bargaining units for ten percent.

The Treasury Board of the Government of Canada deemed that we were not going to have to roll back that ten to six, but they indicated to us, then, that it was highly likely that they would expect us to reflect the "six and five" regime in the next two years. We still do not have that squared around with them. If we can convince them that we can bargain in such a way that there are other things that we can do, we may be able to avoid legislation, and that is what we are going to try and do.

Mr. Penikett: It raises a fascinating prospect. I do not want to ask what could be construed as an hypothetical question to Mr. Pearson, but I want to ask him if he has yet made a policy decision, given what he has just said in respect to the "six and five", between these two options? If, as a result of pre-collective bargaining, he were to reach an agreement with the employees that was to possibly provide for, speculatively, "six plus 'x'" percent in the next year, and the Treasury Board were to respond to that as only acceptable if, in fact, the nine-day fortnight were to continue, has he considered that possibility? Has he considered that, in order to continue to live in the spirit of the "six and five" that the nine-day fortnight could continue past March 31st or is the six percent limit the preferred option, with a return to a five-day work week?

Hon. Mr. Pearson: I do not think there is any doubt about it in my mind, right now, that, if I have a personal preference, I would prefer to see the Government of Yukon back on a normal five-day work week. I think that is when the government can provide the best service to the public.

We did it for a very specific reason, and that was to be able to meet our commitments for the year and also provide some money for some make-work projects within the territory over the course of this winter.

The hypothetical situation that the member has raised is a very interesting one and one that I do not think I would dare comment on at this point. It may well be an option that the federal government might put to us; or it may well be an option that we would have to consider because of budgetary restraint. But we are not anywhere near the point where we can consider that.

²¹ **Mr. Penikett:** My last question was based on the assumption of an economic recovery. Let me ask a question based on the contrary assumption, and that is before things get better, they could get worse. I honestly hope that that will not be the case, but let me ask a question about that circumstance. We have previously in this House discussed the consequences of that circumstance, and I guess in terms of this estimate the choice would come down to a question of lay-offs or some other alternative such as a four-day work week.

Could the government leader share with us some of the contingencies, or preferred options, in that eventuality?

Hon. Mr. Pearson: It is very difficult to speculate in terms of that. But again, I would anticipate that if our next choice had to be lay-offs or a four-day week — I think that is what the member was asking, and, again, I have not discussed it with my colleagues, I am expressing a very, very personal opinion because I honestly have not discussed it with my colleagues — I would at this point believe that if we are going to continue to provide at least a level of service to the public, we would have to consider lay-offs as opposed to a four-day week.

Mr. Penikett: Thank you, that is interesting as it appears to be slightly different from the answer before where he indicated that he might have some personal preference — or, I got the impression, I should probably say — for a four-day work week. I will not pursue that because we can only speculate at this point.

Let me ask this question: did the government leader, when the nine-day fortnight was being discussed with the union, have his officials examine the work-sharing option then, and was that an issue discussed with the union, and was that something that they might still be prepared to contemplate?

Hon. Mr. Pearson: The option that we put to the union was a nine-day fortnight or lay-offs. Those were the two options that we put to the union.

Mr. Penikett: I have a number of questions on this particular round. I would like to refer to some of the other members.

²² **Mr. Kimmerly:** A fairly specific question about deputy ministers. I am confused about the current reporting status and employment status of deputy ministers. The legal phrase is "during pleasure" I suppose. Are all the deputy ministers serving "during pleasure" or are there some other arrangements with individual deputy ministers?

Hon. Mr. Pearson: They all serve at pleasure except the Deputy Minister of the Public Service Commission, or the Public Service Commissioner, who is on a contract. That contract is specified in the legislation. It is a ten-year contract. He is hired under the terms of the legislation. The Public Service Commissioner can, should he find it necessary, exercise the degree of responsibility and individuality which may be necessary to protect an employee, for instance.

Mr. Kimmerly: I perceive that there was a change in the recent past, a constitutional change, as to the reporting status of deputy ministers. The legal phrase "during pleasure" is the pleasure of the Crown, ultimately, or the commissioner. Practically, what is the constitutional stage now? Is it the pleasure of the minister, the pleasure of the Cabinet or the pleasure of the government leader?

Hon. Mr. Pearson: The third one, the pleasure of the government leader. It is not a constitutional change, other than, I guess, the fact that those who were at pleasure when we were first

elected were at the pleasure of the commissioner. That was changed. There has been no other change though. The reporting procedure is different. A deputy minister reports to his minister.

Mr. Byblow: I have a question in this one area and that is in reference to the government leader's statistical presentation yesterday surrounding the various courses and training programs that are being offered. Certainly, it is a complement to previous discussions over the years as to what has been implemented. The government leader made reference to so many courses being presented by the Public Service Commission, so many courses towards which tuition was paid and so many applications being received by employees for future considerations. I am curious as to the nature of these courses. When we are talking about courses put on by the Public Service Commission, are they evening sessions, are they on-the-job, are they weekenders, what type of course in terms of skill is being presented? Perhaps a little elaboration on the nature of the courses and I would be satisfied.

²³ **Hon. Mr. Pearson:** I anticipated that I might be doing this when we got to the detail. The 17 courses that are being conducted by Public Service Commission Training and Development are varied. Some of them are on-the-job training, some of them are evening courses. I will read off the courses and the number of participants. This represents 17 courses and 459 participants: mechanics, engines and transmissions, 41; dealing with our public, 23; speaking in public, 26; job instruction training, 12; labour relations, 21; legal implications of personnel management, 27; role of public servants involved in communities, 32; standard first aid, 8; supervisory skills, 22; orientation to personnel, 18; budget and management systems, 17; time management, 17; fire extinguisher operation, 68; responsibilities, objectives and indicators, 9; problem solving and decision-making, 9; building a new team, 17; and, employee assistance program, supervisory training, 92.

In respect to tuition assistance, is the member interested in my listing some of those? They are: standard first aid, photo preservation, trial advocacy, a diploma in public senior management, management accounting, accounting, introduction to financial accounting, business administration, second class power engineer, and so it goes.

Mr. Byblow: In the recitation of the 17 courses, earlier referred to as being put on by the Public Service Commission, the government leader outlined some of the areas. I recognize immediately that some of them are fairly sophisticated, some are very general and some, perhaps, may be termed as incidental. Who does the instructing? In reference to the government leader's earlier comment that some are on-the-job, perhaps he could respond to that. At the same time, perhaps he could indicate how the Public Service Commission recognizes the value of having taken some of these courses in job evaluations, as it were.

Hon. Mr. Pearson: The majority of the instruction, particularly on-the-job training, is done in the departments but we have a contract employee who is our training co-ordinator, and instructor, *par excellence*. Even I have been subjected to one or two of his evenings. Not only are they entertaining, they are also very, very instructional. We use people in the community as instructors wherever we can. It is part of the program to train employees in what they would like to learn.

In respect to how it is recognized by the department, we have, I submit, a very, very good record on people who are promoted internally in this government, all the way up, I might point out, to the rank of deputy minister. The last two deputy ministers that we appointed in this government have been internal promotions. That has to say something for our training programs.

²⁴ **Mr. McDonald:** I just have one brief question regarding the merit system. It is for my own clarification. Who evaluates the merit and by that I mean is there a formula to evaluate this merit or is it determined by the minister? Briefly, is it a formula or a subjective judgement by a minister?

Hon. Mr. Pearson: It is primarily a subjective recommendation made to me by the minister.

Mrs. Joe: I just had one question of the minister in regards to the acting deputy minister for justice that your government has been looking for. Is that person being looked for within this government

or from out of the territory?

Hon. Mr. Pearson: No, we have been in contact with Canadians as far away as New Zealand, now.

On Office of the Public Service Commissioner

Mr. Penikett: My eyes have gone to page 183, where it talks about the "Explanation of Changes", "Safety and Security Program, which was part of the budget of the Public Service Commission that was transferred to Government Services during 1981". I think I understand the reason for that, but could the government leader put some observations on record as to how the objectives of the Safety and Security Program might be better advanced under Government Services than the Public Service Commission?

Hon. Mr. Pearson: Primarily, it is the Safety and Security Program, but it also includes Emergency Measures, which is a fairly large part of the work. It made sense, from an organizational point of view, in that government services were dealing directly with, for instance, the inventories that had to be carried by this small branch consisting of one person. So, it just made, we thought, organizational sense to transfer it from the Public Service Commission to Government Services. When it first went into the Public Service Commission, it was put there because that was about the only service department that covered the whole government, at that time.

Mr. Penikett: The last time I encountered this department, the former policeman, who is a gentleman who seemed to be "it" at the time, was also involved in taking peoples' pictures and doing some kind of documentation, which touched on security in one meaning of that word. I just wondered if there is any continuing function in the Public Service Commission like that?

I do not know what, really, security would mean, but presumably there may be, occasionally, questions of someone's criminal record, whether they are a respecter of confidences, whether they have had a problem before of keeping secrets, such things as that. Who does that now in the Public Service Commission? Is there someone else taking over those functions?

Hon. Mr. Pearson: Yes, one of the employees is taking the pictures now. The pictures are being used for the identification cards. I find that identification card to be a very handy piece of material to have with you when you are travelling because it does have your picture on it, and if members of the opposition do not have identification cards, they should get them. The Public Service Commission would be more than happy to provide them to them. It identifies them as an MLA, and tells whoever is looking at the card who they work for. Please avail yourselves of this service. It is a good one.

Mr. Penikett: I appreciate the government leader's offer. However, the last time they took a picture and it did not look like me at all. It was some fat man's photograph, who I did not recognize at all. I am sure it would never help me at the border at all. I do not doubt that perhaps I might go into a bar and someone would perhaps think that I was under age and there it might prove helpful.

Let me ask this question on that use of the word "security". From time to time I have had a question raised with me about oaths. I always used to think that oaths were swear words, but I guess when you get into government, you can swear allegiance and swear for something as well as swear against somebody. Two oaths, I understand, that some people coming into certain positions in this government would be required to swear or sign are: loyalty to the Crown and the question about confidentiality or the secrecy. Now, for certain positions I have no question about the need for confidentiality, it seems to me that is common sense, especially when you are dealing with people's private records. There may be other jobs where I might disagree with some people who would argue that it is necessary to have confidentiality, but that is an area I do not want to get into.

I have encountered people, constituents of mine, or constituents in the sense that they live in the riding but may not be citizens, in fact they may be residents of some long term in this country, namely landed immigrants, but for some reason or another they wish to retain their citizenship in their homeland. Now, I ask the

following question of someone who has, I would say, a professed prejudice about the hiring of Canadians and the hiring of Yukoners, but the loyalty oath, it has been pointed out to me, might prevent some American citizens, for example, as a question of conscience, from working for a government that would require them to swear allegiance to the Crown, since their constitution, I believe, prevents them from swearing allegiance to another power. Has the government Public Service Commission had any experience with this problem and what have they concluded about it?

Hon. Mr. Pearson: I am sure there has been some experience. I do not know if there has been too much of a problem. The two oaths are required by legislation. If the hon. member wishes, I will undertake to speak to the Public Service Commissioner about it and learn from his experience. If the hon. member wishes, I am sure the Public Service Commissioner would not mind if he had a conversation with him about the topic.

Mr. Penikett: It is not something I want to waste a lot of time on. I raise it because twice within the last month I have had constituents, who happened to be American citizens who are married to Canadians and who happen to be people with good technical qualifications for positions in the government, who have declined to apply because it would require them to do something which, according to their citizenship, would be improper, in other words, to swear allegiance to a foreign power.

I would appreciate if the government leader could very briefly elaborate on point two under the explanation of changes. I understand what has been involved in the reorganization. I assume there is really no acquisition of new duties, but simply a rearranging of them. I wonder if the government leader could give us a brief explanation of the reasons for that change?

Hon. Mr. Pearson: I realize the leader of the opposition was not in the House when we covered it, but the changes are reflected in the person-year changes. If the leader of the opposition would go back to page 180, under person-years, that 3.25 should be 2. Under office of the Public Service Commissioner, change that 3.25 to 2. If he changes, under employer records and pensions, the 5 to 5.25, and under compensation, the 4 to 5, then that reflects the reorganization that was done at the time that the new Public Service Commissioner took over.

Mr. Penikett: I thank the government leader for that and I apologize for my absence from the House during the time he had previously given the information. Just so I understand fully, then, the numbers that are listed in the first draft of the Public Service Commission expenditure summary by program there, is the allocation in those departments as it was in the previous statement of the budget, this spring. Since the new Public Service Commissioner came in this summer, then those are changes that have been reflected since then? Okay, that is fine.

Hon. Mr. Pearson: There was no change in total man-years.

On Operations

Operations in the amount of \$101,000 agreed to

Office of the Public Service Commissioner in the amount of \$101,000 agreed to

On Recruitment and Labour Relations

Mr. Penikett: I talked yesterday, as the government leader did, about recruitment and how we could assume a certain saving in that area. I want to ask about labour relations. I know that Mr. Besier has, through his years here and his intimate knowledge of his opposite numbers at the bargaining table, developed considerable expertise in bargaining and negotiations. Given the expertise, knowledge and high intelligence of that individual, it will be saving the price of consultant services with respect to bargaining the next time around?

Hon. Mr. Pearson: I do not know. Actually, it has been a policy decision that we have taken each year, going into collective bargaining, that we would hire a consultant or negotiator to do the bargaining. It is the normal habit of the unions, as well as the Public Service Alliance, to bring in a person on their behalf. I

believe Mr. Besier's experience would indicate that this is the best way to go although he may have different advice for us this year. Once again, we have not gotten to that stage where we are talking about that kind of thing.

Mr. Penikett: Just to make a comment, I would say go for it, John. With a couple of sweet-talking guys like Jim McCullough and Jean Besier, I am sure they could wrap the negotiations up in no time.

Mr. McDonald: On page 185, under labour relations, on the number of employment grievances or complaints investigated, the numbers may seem small, I guess, for the number of employees who are employed by the Public Service Commission, or by government, but the rise from 30 to 45 does represent a 50 percent increase. Is there an explanation for that?

Hon. Mr. Pearson: There is no specific explanation other than these are tougher times. I think that is a reflection — like our turnover being half of what it was — of the times. Employees are going to grieve instead of quitting, in a lot of cases, and I believe that is about the only logical explanation that there can be.

Mr. Penikett: Just on the "tough times" point, and in regard to recruitments, could the government leader indicate to the House whether there has been any change in the following area: what positions, if any may this government hire now, other than order-in-council positions, without public advertisement?

Hon. Mr. Pearson: None. If you will except the fact that we hire through Manpower some of the clerical help, we advertise all other positions.

Mr. Penikett: I would be curious as to whether that does apply to the principle about contract and casual employees. I understand that we have a shortage of those right now.

Could I ask the government leader to clarify his answer, because I recently had a complaint that — and it may have been a part-time job, I am not sure — some positions have been filled where people who may have been interested in them were not aware of an advertisement. I assume there may be some advertisements which are internal? In other words, they are only posted to public servants inside the territory and they might have first crack at some of those jobs. Are there any other categories of jobs, part-time, casual, contract, or some other jobs, where there is no public advertisement of the vacancy?

Hon. Mr. Pearson: Casuels are hired, probably not with direct advertising, but their names get put on a list somewhere and they are phoned to come to work. There are some jobs that are filled from internal competitions. A decision is taken by a department and the Public Service Commission that they will only advertise internally for that particular job.

The rule, generally, is that all jobs are advertised and every Yukoner has an equal chance at that job.

Mr. Penikett: To pursue that point briefly, I have three very brief questions. The government leader referred to lists of casuels. Who lists the casuels? Is it the Public Service Commission? Who chooses from the list when a department needs a casual employee? And, who calls them in?

Hon. Mr. Pearson: That is all done in the departments. The departments keep a list of the casuels and they call them in and put them to work.

Mr. Penikett: So the Public Service Commission will not maintain this list of people. It will become aware of them if they enter the service, it will not maintain these lists in any way, so it, as an entity, an employment entity, or personnel agency of this government, will not be aware of lists of people who may be interested in certain kinds of jobs. Would that be correct?

Hon. Mr. Pearson: I would think that the Public Service Commission is quite aware of the lists. I would also think, because I know that there is so much liaison between the Public Service Commission and the departments at all time, it is inconceivable to me that they would not be very aware of the lists and be in a position to be putting people on lists and taking them off of lists because they know that they have gone to work somewhere else.

Mr. Penikett: The maintenance of such lists implies that there may be a number of departments that continue to have a personnel

function inside those departments. I do not want to get off topic here, but I would be curious as to what extent that is the case, and what is the formal liaison, if any, between the Public Service Commission and those personnel officers?

Hon. Mr. Pearson: There is a personnel function in every department of the government, but the two major ones, who perform a tremendous amount of personnel functions are, of course, Highways and Transportation and the Department of Education. In respect to the Department of Education, the Public Service Commission does not do the hiring of the teachers. In fact, the Department of Education does. In respect to the Highways department, a large number of casuels that are required there in the summertime are in fact hired by the department.

Mr. Penikett: Just one last general question at this point. The Public Service Commission has a mandate to presumably preserve the merit system that we have and, I suppose in a general way, ensure the recruitment and placement and promotions and all those things are done properly, and I know that they have quite rigid standards of the types of things that they can ask at interviews and the kind of acceptable employment practices as they have that labour relations function of the government.

Could I ask the minister responsible for the Public Service Commission, in respect to this personnel function carried out in education in the area of hiring, not permanent teachers, but substitute teachers. Does the Public Service Commission have any role, or does it exercise any responsibility, in saying that those substitute teachers would be hired on the basis of — I do not know what, seniority, qualifications. Let me put the question specifically. If a substitute teacher had a grievance that they were not being used, would the public service have any role in hearing an appeal on that complaint.

Hon. Mr. Pearson: No, the appeal would go to the Minister of Education, and that is handled by the department.

Mr. McDonald: Back to labour relations for a moment. I certainly would like to accept the government leader's justification for the 50 percent increase in grievance and complaints investigated as perhaps this is a positive sign. Perhaps it indicates a higher level of health in labour relations; rather, sticking around to fight it out rather than to quit at the first opportunity.

I would like to direct the government leader's attention down to formal hearings before an adjudicator or an arbitrator, and I notice that that has gone up by 100 percent. Perhaps 100 percent is misleading, it has gone up by four specific cases. I was wondering what the success rate for the public service has been. And, in the case of losses, what are the costs associated with those losses?

Hon. Mr. Pearson: I am sorry, I do not have that information. I could get it for the hon. member. In respect to costs, we have had adjudications that have cost as much as \$10,000. There are costs attributable to these. Regardless of who wins or who loses, normally the taxpayer pays.

Mr. McDonald: I would certainly agree with that. Obviously there are other needless costs that come to mind when both sides are drawn into what are considered to be needless arbitrations. Arbitrators, these days, are generally paid in the neighbourhood of \$1,000 a day plus travel expenses. Employees have to take time off and, I believe, usually both sides try to solicit legal counsel, which is obviously a cost. I would be interested in taking the government leader up on his offer on the success rate.

Mrs. Joe: Working in the courts, I had observed that, when there was a person leaving, there was always a long wait in between the time that the person left and the person was replaced by another one. It created a lot of extra work for the people who were left there, I think, but exactly what is the policy for advertising for appointments that become available. In this case it seemed that they had to leave the department before the postings were put into the papers and put up in other areas and that always seemed to be the complaint. I would just like to know exactly what the policy is.

Hon. Mr. Pearson: There is a policy that one person cannot replace another unless that person has left. That policy is in place. It can be the day that they leave that they can be replaced if the department has another person. I can say, without hesitation, that the Public Service Commission does try and get the advertising out

that they are required to, and so on, as quickly as they possibly can. The major delays are caused at the departmental level. I guess that it is fair that it is at the departmental level that they suffer if they do not get the replacement. The delays normally come about in:

(1) getting a request to the Public Service Commission to get the advertising done;

(2) once the advertising is done, making a decision, if there are to be interviews, as to who will be interviewed, when they will be interviewed, and so on.

It can be a very long procedure, if it is a big competition. If there are a lot of applicants, it is an important decision that has to be made and most departments will take the necessary time to make sure that they get the best possible person.

Mr. Penikett: I have been puzzling about the statistics on page 185. The appointments from outside the public service is 226 casuals, including contract 1,529. I am curious about those numbers, particularly the casuals. I may have misunderstood this, but I had thought that we had been told that the number of casuals that we expected to hire would be diminished in this budget-year as a result of restraint. I understand that since a good part of this budget-year is gone that we may have had a lot of casuals working for Highways last summer, for example. Could the government leader clarify the policy governing the taking on of casuals during the restraint period?

Hon. Mr. Pearson: We have tried to cut down the number of casuals hired. We have asked every department, especially during restraint, to try to reduce the number of casuals, but then we also have a responsibility to provide service to the public. Casuals are hired to fill positions that are not required, or to fill jobs, or to do jobs that it is not anticipated are going to take more than six months to complete. One of the statistics that I gave when we last sat was that on October 31st, 1981, we had 217 casuals. On October 31st, 1982, we had 251 casuals. We actually had more casuals on staff on October 31st, 1982 than in 1981. Again that very well could have been a function of the weather at that time.

Mr. Penikett: One general question about casuals that the government leader may wish to take notice on applies to the situation of casuals who remain in service. I understand that casuals can work for the government for six-month contracts and then they are in effect laid off for a day and then can be taken on for another six months. I am not sure where it was, but I seem to recall reading a news item recently, perhaps it was an appeal to some level of the federal government or it was the CBC, I do not recall, that some arbitration body had ruled that some people have a status of permanent employee after a certain period of time. I know that if a casual does not get laid off that one day that after they have been in service for awhile, they in fact become a permanent employee. Can the government leader tell us something about that? I know of people working for some government departments, not this government department, who have been casuals literally for years, and who end up being laid off every six months. The problem with that is that at the end of their careers they have no pension benefits.

Hon. Mr. Pearson: We have the same six-months rule, then the job no longer exists. It is not a practice that we condone. We recognize that it does happen in some instances. If the jobs are lasting more than six months, the departments are encouraged to look at them realistically and look at their manpower component, and if necessary, justify the creation of an additional person-year in their department to look after that. It is not a practice we encourage, in any way at all.

²² By the way, I agree with the member, there are casuals who work for this government for years. They do it because a lot of them do want that casual employment and look forward to it each year. Those people, normally, though, are not the ones who work the six months, have a day off, and then an extended period. We run into jobs where it is anticipated it is going to be over in five months, and at the end of the six months less a day, we know that it is only going to last another 20 days. I know that, in those cases, this scam, if you will, is used, but it is not one that we encourage at all.

Operations, in the amount of \$577,000, agreed to

On Long Service Awards

Long Service Awards, in the amount of \$10,000, agreed to

*On Yukon Territorial Public Service Alliance
Yukon Territorial Public Service Alliance, in the amount of \$23,000, agreed to*

*On Yukon Teachers Association
Yukon Teachers Association, in the amount of \$1,000, agreed to*

Recruitment and Labour Relations in the amount of \$611,000, agreed to

On Employee Records and Pensions

Mr. Penikett: I just want to ask a general question and the government leader may not be able to answer it now, but I would be happy to have an answer later if that is what is necessary.

The government leader may be aware that, on a couple of occasions, at least in the life of the last legislature, a small group of individuals of this House looked into the question of pensions. I remember being puzzled, at that time, by some of the things I heard in respect to this government's pensions and the method by which Cabinet ministers, for example, can participate or receive compensation in lieu of participation in a pension scheme. There is an issue growing in some parts of the North American continent about the control of pension funds and the general question I would like to ask is: what authority or control or input do employees or the beneficiaries of these pension schemes provided have in those schemes?

²³ Is it the same kind of situation that operates in federal departments where they have almost no say at all even though the money is invested in some, sometimes, quite extraordinary ways, without the advice or consent of the people whose money it is?

Hon. Mr. Pearson: It is not only similar to the federal scheme, it is the federal scheme. It is exactly the same one. That is the reason that MLAs cannot be members of it, because MLAs and MPs are specifically excluded from it.

Employees have absolutely no input into it, whatsoever, in any way, shape or form. Even worse, in this territory, we, as a government, cannot use those funds that are in that scheme, on behalf of the employees of this territory, as collateral, like the provincial governments that participate in this scheme. We are in the process of talking to the federal government about that very matter at this time. It is grossly unfair that the provinces can take advantage of the deposits made by their employees and we, in this territory, cannot.

Mr. Penikett: I am glad that I was able to elicit that comment from the government leader about the collateral question because that would have been my next point.

Given that situation, where we are probably locked into the federal scheme, and given that some discussions have been put down on the question of the possible uses of that security for public benefit in the territory, has the government leader, either in his capacity as Minister of the Public Service Commission or as Minister of Finance, entertained, or had done, any preliminary explorations of the possibility of a more autonomous pension scheme for the employees of this government?

I ask that question for two reasons. While I am aware of the actuarial problems of dealing with such a small place, I am also sensitive that the federal scheme, in terms of its investments, has not produced that great a return, partly for the reason that the federal government, I might say, has been inclined to use the money for all sorts of its own purposes. Some people might question whether they are in the interests of the beneficiaries or not. Has he had any conversations with them? Has he considered it at all? If he has not, because it is just not practical at this point, I will understand that answer.

Hon. Mr. Pearson: No, we have not considered that at all, primarily because our discussions, to date, with the Government of Canada, in respect to us getting somewhat similar benefits from this scheme, as the provinces do, have been fairly encouraging.

²⁴ Hopefully, by spring we may well have it good enough to make

it in the House on this matter.

On Operations

Operations in the amount of \$140,000 agreed to

Employee Records and Pensions in the amount of \$140,000 agreed to

On Training and Development

Mr. Byblow: I have a general question. When I reviewed the training and development as opposed to the recruitment and the labour relations portion, I note that the reduction or the restraint exercise is reflected on the one hand in training and development at 33 percent and recruitment at eight percent, and I am wondering if this is indicative of any shift in policy in the emphasis by the Public Service Commission.

Hon. Mr. Pearson: No; in fact it is an indication of, I guess, the size of the Public Service Commission. When you are looking at restraint, you are naturally looking at alternatives. You are looking at where you have some flexibility. Now, we know that we have to recruit. Again, we have a policy and we have been trying very hard to reduce our recruitment costs. We have done it year after year after year. But when it comes to actual flexibility and being able to arbitrarily take something away, it is about the only portion of this budget that we can look at. It is regrettable that we have had to do it, but it was necessary and, all I can say is that I am pleased that we did not have to take away more. When it comes to cutting, in this department, this is about the only place you can cut.

Mr. Byblow: Earlier in the discussion surrounding training programs being implemented the government leader indicated that they have on staff a training co-ordinator. I am curious why that person-year is not incorporated at this point in the budget.

Hon. Mr. Pearson: Because it was cut. When it came time to reduce the budget in this department, this was one way that we could do it. But what we have been able to do, as a consequence of all of the cutting, is hire a training co-ordinator now on a contractual basis. I again am hopeful, and members can rest assured, that I am fighting with my colleagues to have that man-year reinstated next year.

Mr. Byblow: We looked at one of the explanations of the expenditures for funding of training positions and I am curious about whether or not, in the course of training and development, specific positions are identified exclusively as a training cost and, therefore, not in the normal course of employee remuneration structure?

Hon. Mr. Pearson: I think I know what the member is asking. I believe that the answer is no. If he is saying, do we have specific positions in this government that are used specifically for training, I do not believe that we have.

Mr. Penikett: While my colleague is suffering, I will ask a couple of quick questions. How many employees right now, in this government, are on educational leave? Of those employees, how many are on paid leave? If, for example, an employee from Justice gets paid educational leave to go to learn something which will, in the end, benefit the Justice department, is it the Justice department that picks up the bill or does that somehow come out of the Public Service Commission? Or, if an employee gets education leave, is that something that may be deemed of benefit to the general administration of the territory?

Hon. Mr. Pearson: All of the employees who go on educational leave, get the educational leave because it is judged that it will be of benefit to the territory. At the present time, we have five people on educational leave. One of them is studying for an adult education diploma, the other four are studying for MBAs. Are those the questions?

Mr. Penikett: Are all five of those on paid educational leave or are some of them unpaid?

Hon. Mr. Pearson: All five of them are on paid educational leave.

Mr. Penikett: What are we going to do with all those MBAs?

Hon. Mr. Pearson: One of them has come out of Municipal

and Community Affairs, one has come out of Tourism, one has come out of Manpower and one has come out of Computer Services.

Mr. Penikett: There is a big difference, as I am sure the government leader knows, between public administration degrees and business administration degrees, and there is, in fact, some controversy about the value of some MBA degrees. I will not get into what is basically an ivy league academic dispute here, but I just comment on that.

Hon. Mr. Pearson: I want to emphasize that the education leave is expensive, but, once again, one of the new deputy ministers in this government was a person who was on educational leave. In fact, I think he got an MBA. Whatever it cost the taxpayers of this territory, it has been money well spent because he has been able to come back and go into a job and do it very, very well for us.

Mr. Penikett: The person he refers to, I think, went to Yale, and I think we will all agree that that is a very good school. I mention in passing that I went to a school where the MBAs were a joke, but that is neither here nor there.

I understand that you cannot have indentured servants anymore, that is unconstitutional, but I got a scholarship one time where I had to sign a form upon receipt of that scholarship committing myself to return, at some point in the future, for a certain period of service. I would be curious whether we have asked the beneficiaries of these schemes to make similar commitments?

Hon. Mr. Pearson: Yes, we ask them to make a commitment on a year-to-year basis. In other words, if they go out for one year, we expect them to come back here for one year. If they go out for two, we expect them to come back for two.

On Operations

Operations in the amount of \$99,000 agreed to

On Administration

Administration in the amount of \$3,000 agreed to

Training and Development in the amount of \$102,000 agreed to

Mr. Penikett: I have a quick question: I asked the government leader who actually paid: was it the Public Service Commission or the individual departments? He did not answer that question. Can we assume that it is the Public Service Commission?

Hon. Mr. Pearson: The Public Service Commission pays the tuition and the departments pay the salary.

On Compensation

Mr. McDonald: As a new member, I have a couple of brief questions I would like to ask regarding compensation. I was wondering if the government leader could provide me with a little bit more information than that which is provided in the program objectives, and, specifically, if he could tell me whether or not this section provides information or technical expertise prior and during the process of collective bargaining?

Hon. Mr. Pearson: Yes, the Public Service Commission is charged with the responsibilities of doing the collective bargaining for this government regarding the Public Service Alliance of Canada. It usually makes a recommendation to the Cabinet that we hire a negotiator in the form of a consultant to work with them. It is the Public Service Commission that normally also gets a negotiating team together that may be a group of people picked from various and sundry departments of the Government of Yukon.

Mr. Chairman: The members will have noticed in some cases that the bells have been ringing. Maybe there are some members who have not noticed the bells are ringing. They are only working on them at the present time. I would like to inform you all of that: no fire.

Mr. McDonald: Could the government leader tell me whether or not the cost of negotiators and negotiating teams comes under this particular line-item? Perhaps I could ask him some questions on the statistical information on page 191.

Hon. Mr. Pearson: I believe that costs of negotiations is reflected in recruitment and labour relations on page 184. I certainly have no objection to some questions from the hon. member.

Mr. McDonald: The first question is under statistics, "Proposals Reviewed (class regrading and job reclassification)". I notice that the 1982-83 estimate represents a 26 percent decrease. By this decrease, does the government plan to exercise a policy to ignore justifiable job reclassifications or perhaps was 1981-82 an unusual year for job reclassifications?

Hon. Mr. Pearson: We certainly do not intend to ignore justifiable job reclassifications. But we did have a bit of a problem in that the work-load of the department shifted dramatically during the course of the year, and that, of course, is why we have increased the person-years in that department, or in that particular branch, because we have been falling behind in respect to the reclassifications. Another problem that we have had has been an internal one, but as I said yesterday, one of the people who work in this particular branch was on maternity leave. We have fallen behind, but eventually those job reclassifications will get done. A policy that we do have is that retroactivity applies. The effective dates are protected. So, the employees, if they deserve reclassification, are not going to suffer because we as a department have not been able to exercise our function.

Mr. McDonald: Under statistics as well, I am not sure what the departmental organization analysis is. Is it the responsibility of the Public Service Commission to analyse other departments regularly or what is it? What I am really asking is whether or not other departments fund their own organizational analysis, or is this a one-time thing from the PSC?

Hon. Mr. Pearson: Both of these things are done on the request of the departments, and with the shuffle of deputy ministers, it did precipitate a number of requests from deputy ministers to the Public Service Commission, because of course, they want to do their own analysis, and if they can lean on the expertise of the Public Service Commission to do the departmental organization analysis for them, it does help. In most cases, that service is one that is there. It can also happen as a result of our Cabinet making a decision that the Public Service Commission should go into a department and analyse the person-years in that department in respect to whether they have the right complement of people, or should they have more or should they have less?

Mr. McDonald: I thank the government leader for his answer. It was satisfactory to my thinking. Under explanation of changes it reads, "With the implementation of the New Management Pay Plan, there was an increased amount of reclassification." It shows an increase in operations under expenditures of seven percent. I was wondering whether or not the government leader could explain this manager pay plan to me and explain whether or not the seven-percent change was a cost which would have provided for that kind of organizational development?

Hon. Mr. Pearson: I could not do it. It is a result of a study that was done by a team of consultants in 1981. We brought them to Whitehorse to do this study for us. We felt it was time that it be done because our management staff were falling behind our competition, which are the four western provinces and the Northwest Territories. The results of that plan just increase the department's operations by seven percent with respect to this compensation package. It is a straight reflection of money, nothing else.

On Operations

Operations in the amount of \$168,000 agreed to

On Projects

Mr. McDonald: Could the government leader explain what the projects are, why the decrease of 50 percent and how the projects differ from operations?

Hon. Mr. Pearson: I cannot explain that specifically but I will get the information for the member.

Projects in the amount of \$4,000 agreed to

Compensation in the amount of \$172,000 agreed to

Mr. Penikett: Before we clear the item, I feel bound to call attention to a typo — I assume it is a typo — on page 187, under Document Transactions: 1982-83 estimate, 42,000; 1981-82 actual, 36,000; Change, 25 cents. That is either a typo or an error in addition.

Hon. Mr. Pearson: I may not have pointed out, in doing the corrections yesterday, that that "cents" should have been "percent". I may have missed that one change yesterday.

Public Service Commission in the amount of \$1,126,000 agreed to

Mr. Chairman: Before we go on to the Department of Finance, I would suggest that we have a short break.

Recess

Mr. Chairman: I call committee to order. I would like to welcome Mr. Fingland, the Territorial Treasurer, as a witness.

On Department of Finance

Hon. Mr. Pearson: I, too, would like to welcome Mr. Fingland to this House, once again, in his latest reincarnation as a Yukoner. It is very nice to have him here. This department is primarily the money management department of the Government of Yukon. I consider that we are very fortunate to have Mr. Fingland as the deputy minister. He is a very highly competent person in the field of territorial financing, and I am sure that any questions that the opposition might have, he will, likely, be most pleased to answer.

Mr. Penikett: I hope I will be forgiven for rambling a little bit, but what I want to do is touch, in a general way, on a number of concerns or questions, and then, having laid out that ground, I want to come back and explore some specifics about each of those questions.

I want to begin by saying what a pleasure it is, on our part too, to see Mr. Fingland back here with us again and that I look forward to the answers that he will be able to help us find.

The other evening, I was struck, watching the national news, to hear a report from Newfoundland that the government there suddenly found itself in desperate financial straits and had brought in a sales tax for the first time on clothing and increased the sales tax on other items. I think they increased the sales tax from 11 to 12 percent. It is not the sales tax that I want to talk about, but the reasons that were given in that news report for them having to do that. The reasons given, and I cannot vouch for its accuracy, were that the federal government had, all of a sudden, required Newfoundland to repay, in one shot, three years' worth of overpayments on a number of transfers. It did not specify which transfers were involved and there was some indication in the story that they might have included overpayments on advancements of income tax revenue that may have included other overpayments. The story was not that specific.

That is an issue I wanted to pursue, and I wanted to pursue it, in part, because it concerns some questions that I had this spring about the working-capital position of the territory. I understand very well the tightrope that we are on and I understand very well the fine line, to use the government leader's expression, that we are operating under this year, and I am, of course, concerned about the previous situation in terms of a working capital.

I also wanted to follow up some questions I raised this spring about the commitments on that fund now: questions about what other money we might still owe the federal government — this spring there were references to interest on land — and other forms of money we might owe them. Perhaps we might have received overpayments on established program funding that we might have to give back. Perhaps that is not possible. I wanted to pursue that. I want to cite that question in a general way and then pursue that in some detail.

I also want to ask in a general way about some of the economic as well as the financial implications of the nine-day fortnight. I have heard the statement made that it will produce a saving for this government of \$2,000,000. I am a little curious as to how much this government estimates that will cost us on the revenue side? My reason for asking that question is that I gather from what information I have been able to obtain from Economic Research Planning Unit, given some established conventions about multipliers — even though Mr. Ferbey put them in question the other night — that \$2,000,000 would produce about \$200,000 in direct Yukon taxes on employee wages. If the multiplier concept is applied, then the \$2,000,000 that is not spent by employees, in turn, means another \$200,000 in lost revenues by taxing other Yukon employees and wage earners. I note that ERPU has said that the multiplier for government employment is about two. There is a potential lost revenue of some \$400,000 or about 20 percent of the total amount saved by the nine-day fortnight, and the net result is that the government, by my crude estimate, might be only ahead by \$1,600,000. I would be curious as to what kind of calculations the government might have had when they were contemplating that measure?

I also want to, when we are going through this estimate, pursue the question of something that I have asked about in question period, but I am having some problems still getting a handle on. It is the question of how this year's financial problems relate to next year's, and some press references I have seen to advances we may have received from the federal government on instalments of operating grants, and how our financial position in the next fiscal year will be affected by us having money advanced from that period, if in fact that is the case.

⁴² I have seen references in the media that caution about the problem of getting a few months' grace on money we owe Ottawa because that could simply just be postponing our problems. I think some of the financial strategy we have been pursuing is, as I have said to the government leader previously, operating under the assumption of a fairly immediate recovery, and I want to explore, not the economic question, but the financial question, a little bit.

We have not yet had an announcement from the government leader about the fate of our recovery package application but we have seen several announcements of work programs from the Minister of Education and the government leader. I want to also ask about the revenue of the territory as it has been derived from the mining sector — particularly, it is 12 percent that I had heard estimated that came out of Cyprus Anvil at one point, but I can recall a \$9,400,000 figure anyway — and how our situation may have been affected by that.

I also wanted to ask questions about EPF. This spring we asked a lot of questions about that and I think those of us on this side were somewhat confused because we were getting one kind of information from one source and another kind of information from another, and the government leader has indicated since then that the federal government may have been somewhat neglectful in the way they provided this government with the facts of our situation. That is an issue my colleague, Mr. Kimmerly, will want to pursue, too.

There was also a small item I shall want to put to Mr. Pearson rather than Mr. Fingland, which has to do with this press story that came out of Faro about some discussion of the hotel tax. I think it arose out of an Association of Yukon Communities' meeting. I do not think that the discussion was precipitated by the member for Faro. I am curious to see the government's intentions in this regard.

I want to find out if I can understand, because there were some superficially contradictory statements this spring about how we establish our own revenue projections, and I understand that that is going to be still, even though we are more than halfway through this budget year, an extraordinarily difficult thing to do.

I think we will have some more questions about EPF. There was a note here that the member for Porter Creek East wanted me to take some accounting course, but I think I will not deal with that now.

⁴³ Let me leave it at that now. I would like to go back to the beginning, to the working-capital situation, the situation with transfers and I guess I may as well ask the question, as there seems to be some confusion about it, and it is: how we define a deficit for

the purposes for this government. It seems to me it is possible to have an operating deficit even though we cannot technically go into debt. From what I judge about the money we owe, or the charges against working capital, it is possible we can have an operating deficit this year, not be in debt, but have an operating deficit, or whatever words you use.

I want to ask a very specific question. Is there any danger that we could be put into the situation that, according to news reports, that Newfoundland has now been put in, where the federal government may ask for a pay-back, over a very short period of time, of money that has been a debt accumulated to them over a longer period?

Hon. Mr. Pearson: There is no doubt about the fact that we can put together a budget that reflects an operating deficit. We have done it this year. This budget reflects a deficit of \$5,000,294. We can do that because we have working capital. In respect to whether we can be put into the position that Newfoundland is in now, I would like Mr. Fingland to give us some details in respect to that.

Mr. Fingland: There is always a possibility of an accounting adjustment because there are monies being paid back and forth between the two governments all the time. But in terms of the actual transfer of payments, that is, adjustments for income tax, adjustments for EPFs and other transfer payments, to my knowledge, there is nothing that I could indicate at the moment that would put us in that position.

Mr. Penikett: I am very pleased to see the government leader refer to the operating deficit because there was another less senior but very distinguished British type gentleman in the employ of this government who was attempting to persuade a friend of mine that it was not a deficit, it was a shortfall. I suspect his training was in public relations rather than accounting.

Let me pursue the questions of the EPFs, for a start, and not in a way that my colleague from Whitehorse South Centre will, but I believe Mr. Fingland referred to accounting adjustments. We seemed to have a problem this spring establishing exactly our entitlement on EPFs, and I am curious about that, because as the government leader may recall, we made a call on this side of the House because we were curious about an item in the federal budget, and it seemed to indicate that we would get one amount and a different amount was indicated in the territorial estimates. Subsequently, there was a dispute in this House about what we were entitled to. Can the government leader, or Mr. Fingland through the government leader and through you, Mr. Chairman, indicate how that number was established and how it is communicated to us and how it would end up in the estimates?

⁴⁴ **Hon. Mr. Pearson:** I would just love to hear Mr. Fingland explain this to the leader of the opposition one time, so that it is understandable. I know that the two of us got very frustrated this spring in going around and around the mulberry bush on EPF payments. To me it is very clear. I just cannot seem to make it very clear to the leader of the opposition.

Mr. Penikett: I cannot let the government leader get away with that. He had one number in his budget and that clearly was not the number we were going to get. The people in Ottawa told us we were not going to get it.

Hon. Mr. Pearson: No, it was not clear, it was never clear to us that that was not the number that we were going to get. However, I think it would be futile for us to argue what was in the budget in the spring. It has been proven that there was a change that was made and I am sure that Mr. Fingland can explain it to us.

Mr. Fingland: Perhaps I should go back and recapitulate the sequence of events. Normally, when we go into our fiscal negotiations with the federal government — there are two meetings each year, one in the spring and one in the fall — and, last fall, as occurs every fall, we were told by the federal Department of Finance what the EPF payment was expected to be. A year ago, that was based on the old *Fiscal Arrangements Act* between the federal and provincial governments.

When we arrived in Ottawa in May of this year, we were told that the new *Fiscal Arrangements Act*, which went into effect April 1, produced a different figure because the basis of calculation had been changed quite substantially. The figure that is now reflected in these estimates is that new figure, based on a per capita calculation

of our entitlement, in the same way as for the provinces, for the three categories that are used to establish the figure, that is: post-secondary education, health and medicare, and the transfer of tax points.

Mr. Penikett: I understand the sequence of events that he has outlined. However, during the period when the spring version of this budget was being prepared, and for a considerable time prior to that May meeting at the officials level, I assume it was, there was Mr. McEachen's ill-fated federal budget. The information that was the source of our questions came from that budget, a budget which is a public document. In a very general question, I would be curious as to the extent that officials of finance here use that document — since the budget resolution, or the budget measures, become law at the time they are read — in developing the territorial budget, particularly in regard to new fiscal arrangements that may be indicated in it?

Mr. Fingland: We relied entirely on the Department of Finance in Ottawa to tell us what that figure should be. At the time we prepared the March budget of Yukon, the only figure we had was the figure that had been supplied to us the previous fall. It was not until May of this year that we were advised of the figure that flowed from the new federal legislation.

Mr. Penikett: Probably Mr. Kimmerly would wish to pursue that item a little further, but I would like to move on now to the other general question I raised about the ways in which one budget year of this government relates to the next budget year, as required by federal transfers. I referred earlier to press statements about the government being advanced monthly operating grants. There was some reference, I think, in a question I took up with Mr. Pearson, about capital from one year being used to help the operating budget through some period when we might have a shortfall of revenue. I understand that we have to vote the money again. I understand the responsibility we have, but the federal government gives us a certain kind of deficit grant in one year and they give us some certain money for capital. Perhaps I will begin by asking: to what extent can we put a call on future grants or use that money other than for which it is specifically allocated, and are there any problems for us in moving it from one period to another, or in one year to another, or using some of next year's money this year? Is there any precedent or problem or experience with that?

Mr. Fingland: The kind of constraint on moving the money from one year to another is really the requirement that the federal government must appropriate the money before it can be transferred to us. In other words, the amounts of money that we agree on in our fiscal negotiations for the forthcoming fiscal year is then translated into an item in the federal estimates. That money normally would not become available to us until the commencement of the new year.

It can happen, of course, that some of that money can be advanced into the current fiscal year and this is what we have asked in the case of capital. They, then, are put in the position of having to get a supplementary appropriation in the current year in order to do that.

Mr. Penikett: If we get capital money from next year advanced to this year and we put it in the operating budget rather than the capital budget, I would be interested in the federal reaction to that, whether we have to compensate out of next year's operating budget back into capital, or whether they do any accounting of that.

If we owe them money, which they may give us some period of grace on, how does that link one year to the next, from their point of view?

Mr. Fingland: If I understand the question correctly, in monies that were advanced from grants that would come to us next year into this fiscal year, that would not be taken off the grants for next year. As for the capacity to transfer between O&M and capital and vice versa, that is controlled by the Federal-Territorial Financial Agreement. We are not, in fact, allowed to transfer from capital into O&M. That is, we are not allowed to transfer money from the capital grant into an operating grant. However, we are allowed to transfer a percentage of our O&M money into capital, and that percentage, if my memory serves me correctly, is five percent of the previous year's actual expenditures in O&M.

The only other way that we could change the amounts of money between O&M and capital would be by a special section in the agreement. In fact, that is what we are proposing to do this fiscal year. Because we are asking for capital money to be advanced to us, first of all, that is going to affect the wording of next year's agreement. If we have to use O&M money instead of capital money, then, in next year's agreement, there will have to be a provision which amends the current year's fiscal agreement.

Mr. Penikett: I also asked about money that we might all know that was carried from one year to the next. I think I understand that working capital really has two sides. There is an operating capital fund and a working capital fund and they are, for practical purposes, two separate pots. Sometime — not now — I would be curious as to how we audit or manage that as it seems to me to be potentially difficult. I will not ask that now.

Perhaps Mr. Kimmerly would like to get in EPF questions now; I will defer to him and pursue the other matter later.

Mr. Kimmerly: Being the good lawyer that I am, I copied down the words of the deputy minister and I would like to ask about the specific phraseology and ask for an elaboration. In answer to Mr. Penikett's question about the calculation of the EPF or the knowledge of the EPF figure, Mr. Fingland talked about two meetings a year and at the first meeting the phrase, "was expected to be" was used in relation to EPFs. I am fascinated by the phraseology and the word "expected". Is the amount of EPF dollars that we get an absolutely fixed amount or is it an expected amount? I realize a fixed amount might come and an "accounting adjustment" is made at a later time. What, in fact, is the detail of that?

Mr. Fingland: In the case of EPF the payment is, in any given year, only an estimate of what the federal department of finance believes will be the payment owing to the territorial government under federal legislation. To make the matter somewhat more complicated the figure that is given to us for income tax is in the same category; it is only an estimate. The federal government then continues to monitor and calculate what the actual EPF payment should be over a three-year period, then there is a final adjustment — either a payment from the territory or a payment to the territory — at the end of that three-year period.

To make the matter even more complicated, the adjustment cycle for income tax is a two-year period. These payments are what we call non-budgetary payments and are made by adjustments to the payments as they are made to us. If over the three-year cycle, in the case of EPF, as a result of their calculations they owe us more money, they will pay us more money. If we owe them money or if they have overpaid us they make a downward adjustment. In the same way with the income tax, there is a constant succession of adjustments over the two-year time frame.

The really complicated factor about this is that that is the normal way it would work with the provinces, and that is the way that it works with us, as between ourselves and the federal Department of Finance. But, because we are in a deficit financial relationship with the federal government, we are stuck, in our financial agreements, with the estimate that is made at the beginning of that cycle in each year. In other words, if we are told, by Finance, that the EPF figure is to be a certain amount, and the income tax figure is to be a certain amount, that figure then gets locked in to the calculation of the deficit grants for the ensuing fiscal year.

Now the problem is that two years hence it may turn out that we have made a windfall because the estimate was below what we were originally entitled to — the same thing with income tax. So we have a rather peculiar arrangement whereby the federal government is entitled under the financial agreement to make an adjustment to the operating grant in respect of any money that either they owe us or we owe them. That is one of the reasons why, in this particular fiscal year, we have had the difficulties that we have had.

Two years ago, an estimate was made of the income tax for the 1980-81 fiscal year. It has turned out to be considerably less than the amount that was finally realized. When the final calculation was made, it was discovered that, in the current year, we had received approximately \$2,250,000 more than we should have received, and that money came off the first of July payment of our operating grant

for the current year.

Each year, that same kind of adjustment is made in respect to income tax and EPF. Next year, the amounts that we owe them are even more. They are something in the order of \$4,000,000. In order to try and equalize or level out some of the impact of this, recognizing that the estimates made this year are likely to be considerably above what we will realize two years hence for income tax and three years hence for EPF, we have asked them to insert a clause in the financial agreement for 1982-83 which will amend the 1981-82 financial agreement, and enable us to offset the amounts of money we would have to repay next year against the amounts of money that we would anticipate receiving the year after that.

Mr. Kimmerly: It was a long answer, but I do understand it. It was clear, and perhaps for the first time in my mind it is clear, too.

The next phrase I copied down is where Mr. Fingland talked about the information from the federal government or the federal Department of Finance, and he used the phrase "what the figure should be". As a specific question, is the figure negotiated in the common meaning of the word "negotiated", or do the federal officials tell us what the figure should be?

Mr. Fingland: They simply tell us. They interpret the application of the *Fiscal Arrangements Act*, in the case of EPF and, in the case of income tax, of course, it is the income tax legislation. They simply tell us what the result of that calculation will be.

Mr. Kimmerly: That is a short answer, of course, but I also understand it very clearly, thank you.

I am interested in the three categories of EPF payments: tax points, medicare and post-secondary education. Does the federal government tell the Yukon government, or is there a negotiation about the proportion of money or the figure which should be allocated to each of those three categories?

Mr. Fingland: No, they simply make a calculation on the basis of the fiscal data which they obtain, I believe, from Statistics Canada. So there is, in fact, no negotiation. It is simply a calculation made by their people?

Mr. Kimmerly: Is it possible to predict the figure by the nature of the statistical data? My real question is: are you able to explain, in a general sense, the way the calculation is made?

Mr. Fingland: I could probably do it in a very general way. I am not really equipped at the moment, I think, to explain it in detail. My understanding is that it is now being calculated on the basis of population and that the standard per capita payment being used nationally is now being applied to Yukon for the various components.

Mr. Penikett: I wanted to turn now, if I could, to the question about revenue implications for the nine-day fortnight. Mr. Fingland may or may not have understood what I was going on about when I was rambling away there, but I wonder if any revenue implications of that program were calculated by Finance at the time of its introduction? If there was a calculation, was it taken into account and by whom?

Mr. Fingland: No, the revenue calculations were not taken into account. The two million dollars was a gross figure and not a net figure.

Mr. Penikett: Perhaps I should ask this question of the government leader, but I would ask, in view of our straitened circumstances and dangerous working capital position, if that is a cause of concern at all? My question is related to the reduction in revenue to this government that would result from the nine-day fortnight.

Hon. Mr. Pearson: There was no doubt about it, it was a concern. Our actual concern had to be how we were going to meet our commitments for the year. As Mr. Fingland has said, the \$2,000,000 figure was a gross figure and it referred specifically to payroll. That was what we considered we would save in respect to direct payroll charges.

Mr. Kimmerly: Two more questions about EPF. Where are we in the three-year cycle for the accounting adjustments?

Mr. Fingland: We are always in a succession of cycles with respect to both income tax and EPF. The first adjustment for EPF is in respect of the current fiscal year and the adjustment point for that would be October of this year. That adjustment was to be made of

the 1979-80 fiscal year. There is a revised estimate, of course, in the current year for the 1980-81 year and the 1981-82 year as well. It is an ongoing roll over of estimates.

Mr. Kimmerly: Is it possible to calculate the federal EPF payment for post-secondary education for last year, the current year and possibly the next year? Is that a discoverable figure?

Mr. Fingland: To the best of my knowledge it is an obtainable figure and I do not have that figure, but I am sure we could obtain it.

Mr. Kimmerly: Would the government leader undertake to obtain this obtainable figure for both post-secondary education and medicare in the current year under the current budget.

Hon. Mr. Pearson: Yes, we can get them. I anticipate that what the hon. member wants to do is prove that we are getting more money from the Government of Canada for post-secondary education than we are spending but, in the same breath, I can tell him, unequivocally, that we spend far more money on medicare than we get from EPF. Everything balances out.

Mr. Penikett: There are two questions that I touched on earlier I would like to ask Mr. Fingland about. The first of these is the working capital fund that we talked about, money that we may owe the federal government that we may get a period of grace on. Could I ask, for the record, what monies we owe? I am not talking about small amounts, but large amounts. This spring we talked about interest on land. It was a fairly significant amount. You indicated there is not a pay-back on income tax. They do an adjustment on that rather than coming to us with a bill. Perhaps you could clarify that for me? My question is basically: what do we owe? How much grace can we have? Is it a debt that they might be willing to carry for quite awhile, or is there going to be a day of reckoning in the new fiscal arrangements that seem to be being dictated by Ottawa?

Hon. Mr. Pearson: I think if we really want to get the true picture, not only should Mr. Fingland tell us what we owe the federal government but I think he should also tell us what the federal government owes us — in other words, what our outstanding account with the federal government is.

Mr. Penikett: I thank the government leader for asking my next question.

Mr. Fingland: I think, in the category of payments to the federal government non-budgetary payments, there are essentially three items, EPF and income tax, and those are adjustments that are made on an ongoing basis again in the operating grant, so that in effect we never really get those monies, or we receive them if there has been an under-calculation. The third category is what we call third party loans, that is, loans that have been made to us, and which we in turn have used for third party purposes either as loans to the municipalities or for land development. The total amount in that category is, I think, in the order of \$19,000,000.

Mr. Penikett: That we owe?

Mr. Fingland: That we owe the federal government. But of course, that in turn is money that is generated as a revenue item to us. That is repayable over varying periods of time. The land repayments are normally over a three to five-year period. The loans to the municipalities are normally over a longer period of time: 10, 15 or 20 years. These, of course, are completely offset. In other words, the payments to the federal government are offset by the revenues that we generate.

In the case of the loans to municipalities the recovery cycle from the municipalities is identical to the repayment schedule to the federal government, so there is simply a straight in and out transaction.

In the case of land development there is a time lag. This is where the working capital is affected. When we use third party money for the development of land, invariably there is some delay before that land is sold and we realize the revenues with which to repay the loan. We have to meet the repayment schedule to the federal government, which means that we have to make up that difference from working capital. That, in the current year, is running in the order of approximately \$3,000,000.

Mr. Penikett: Mr. Fingland, by his last comment talking about three million dollars, partially answered my question, but let me pursue that a little bit.

I understand the arrangements for the municipalities — and God forbid that we should have a municipality go broke — but unless that happens, we are probably all right on that score. The land thing, though, has not become, from a land planning point of view, a problem since we have lots of land of certain kinds right now, but it is essentially a financial problem, as I see it, in that we are carrying rather a lot of it right now.

We have, as Mr. Fingland indicated, a schedule of payments that we have to make. We are a bit like in a situation of someone who might have bought a second house as a speculative property because they expected the pipeline to come through and they are now having trouble carrying the mortgage and they cannot find anybody to rent the place.

I wonder if I could ask Mr. Fingland if he could give us some idea, from a financial planning point of view, of the dimensions of this problem? The carrying costs are large and we have to make these payments. Presumably it is to our advantage to get, from a financial point of view, the land sold as soon as possible, but without a recovery, that is not going to happen this winter and it may not happen this spring. The three million dollar amount, which is current, does not sound enormous but, given that we have a one million dollar margin, that is fairly significant. Is the federal government going to lean on us for this money if we were to default on some monthly payment? Is that a prospect? Do we have any grace on that?

I see the government leader talking about selling them some land. I have heard him say on a number of occasions that they have quite a lot of land here, and it may be a buyer's market right now. Anyway, I wonder if I could ask Mr. Fingland if he could comment on the financial dimensions of that problem?

Mr. Fingland: Just at the moment we do not anticipate it being an insurmountable kind of problem. We have taken the repayments into account in calculating our cash position to the end of the year. What might happen in future years, of course, will depend very much on what happens in the economy.

The one thing, though, that I should add, is that the federal government has offered, if we are caught in a pinch, to allow us to defer repayments of principal. At the moment, we are quite consciously taking the view that we should endeavour to meet our payments if we possibly can. We think we can. We think we have the capacity to do so and we would prefer to do that, but if we find, as we move into the last quarter, that it has become absolutely impossible for us to meet those payments, we can fall back on that.

Mr. Penikett: If we did defer the payment of principal, is there some penalty or some cost to us for doing that? That is a small question which the government leader might want to comment on.

The question I wanted to move on to, though, is that Mr. Fingland mentioned the last quarter. There has been public comment about our revenue position in the last quarter, and I wonder if he could elaborate a little bit more on it?

Mr. Fingland: We have really touched, I think, the most difficult portion of the fiscal year. The payments, particularly of income tax, were calculated at the beginning of the fiscal year at \$23,000,000. These have now been adjusted downward to \$20,000,000, and could very well go to \$17,000,000 when the next adjustments are made in January.

The effect of downward estimates of that kind is that in order to recover the overpayment in the early part of the year, there has to be more than just an equivalent reduction, there has to be a further equivalent reduction to recover the previous overpayment. For example, in the case of corporation income tax, we were getting four payments a month of about \$350,000 each. These payments have now gone to \$15,000 each, which means that in the last quarter, we are going to get very little money from that source. Because we were in a difficult cash flow position earlier in the summer, we also asked the federal government if they would adjust our operating grant payments. These payments are normally made one-twelfth in advance each month, and because the financial agreement had not been signed, and because we were not locked into this payment of one-twelfth monthly in advance, we were able to advance monies that would normally be paid in the last three months of the fiscal year into the summer months, which is the

period of high cash draw.

The effect of that is that the operating grants in the last quarter are going to be very rapidly diminished. The January grant is about the same as normal, but the February grant is going to be very much reduced, and I think that there is virtually no grant at all in the month of March.

Mr. Penikett: I would ask then if that is going to be the toughest month that we would face — at least I hope it would be. Let me ask this question: if we had a re-opening of Cyprus Anvil sometime prior to that date, would we be able to receive corporate tax revenues fast enough to have an offsetting adjustment in the other direction, or is there some kind of time delay in the corporate taxation figures that you were talking about. You mentioned a precipitous drop. I am curious as to how fast we will receive a share of that money.

Mr. Fingland: It would not have any appreciable effect. It might slightly alter the estimate that was made, because the monies that are paid to us for income tax are based on the Department of Finance estimates. Now if Cyprus Anvil were to open before that estimate is made in December or January — the reason I say December or January is because the estimate is made in December but it is not reflected in the estimates until January. If Cyprus Anvil were to re-open before that estimate was made in December, it could have an effect, but it would not have any effect on the payments made to the federal government and then to us. It would take some time.

Mr. Penikett: Presumably this March situation has been the subject of some extensive discussions, I imagine, at the ministerial level as well as the official level. We presumably have a very narrow range of options. What kind of remedies are available at least to discuss with the federal government? Are there some means of us advancing some money during that period, or are we very much locked in to the kind of arrangements that would cause these downward adjustments in this period?

⁵³ Is it conceivable that they might advance us more money from the next fiscal year? What kind of options are there for discussion?

Mr. Fingland: There are basically three options. One is the advance of next year's money, as you suggested, which would require a federal supplementary. There is already in place a request from us for them to replenish, if you like, some of the revenues that have been lost. Again, this is being done by the federal government. There is an attempt by the federal government to find us some additional monies between now and the end of the fiscal year. The third area that we have available to us, of course, is the deferral of the repayment of principle on our third-party loan.

Mr. Penikett: In the short time left this afternoon, I wonder if I could just change direction slightly while Mr. Fingland is here. I have some other questions on a matter we were previously discussing, but I would like to explore a subject which Mr. Fingland has indicated previously to members of this House is a subject close to his heart, and it is an interest that I share.

Let me begin my question with a bit of a preamble. Part of the problem in a community of this size, with such a narrow-based economy, is the whole business of annual budgeting. Part of the problem, it seems, that we have here, both from the point of view of financial planning and, in a broader sense of the word, community development, is the difficulty of relating capital budgets and operating budgets. Mr. Fingland has been reported as having shown some interest that the government initiate some process by which we deal with longer range budgeting — perhaps five year forecasting — and perhaps better integration of our capital and operating budget planning, perhaps, to the extent that we are considering capital alternatives, of being able to project and weigh the operating costs of certain facilities as a test of the viability of the options. I wonder if, Mr. Fingland, in the short time we have left, you might begin some discussion of that subject, or let us in on your thoughts and ideas in that direction.

Mr. Chairman: Before you begin, I would like to remind members that we have about four or five minutes left.

Mr. Fingland: We have, basically, two processes in play. The first is a requirement of the federal government that we do bring forward projections of our anticipated operating requirements in

order to enable them to do their planning of the amounts that they will have to pay us in the way of operating grants. More and more, we are moving towards having to do this on the operating side, by having to calculate what our future years' costs are going to be. In terms of what is of the most significance at the moment to this government, is the necessity, to a degree, that has been insisted upon by the federal government, to develop a capital plan. Hitherto, the federal government has been making annual capital payments to us on the basis of the previous year's grant, escalated by the non-government construction price index. I think everyone acknowledges that this is not a very satisfactory way to determine what the government's capital requirements should be, so it has been proposed to us for some considerable time that the Yukon government should prepare a capital plan, and we are in the process now of endeavouring to do that.

Such a plan would consist, first of all, of an analysis of the criteria which are used by the various operating departments to determine what their capital requirements might be. Once those program standards are established, it should then become a relatively mechanical process to determine, from one year to the next, what the capital requirements might be. It removes the *ad hoc* from the process. If we were to develop such a plan, we would have a set of program standards for each department that has capital requirements. We would also have a set of engineering or technical standards that would determine the quality of the kinds of equipment or buildings or highways that we would building or supplying. We would then have a life-cycle costing policy, some sort of policy that would predetermine the life of any given capital equipment or installation.

From that, we would then get a projection of the actual dollars required in any given year. That dollar figure could rise or fall, depending on what year we happen to take. So, on the capital side, we are hoping to evolve a much more sophisticated and systematic approach.

Hon. Mr. Pearson: I would like to thank Mr. Finland for being us with us this afternoon and move that you report progress on Bill No. 3.

Motion agreed to

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

Motion agreed to

Mr. Chairman: Mr. Finland, you are excused. Thank you.

Mr. Speaker resumes the Chair.

Mr. Speaker: I call the House to order.

May we have a report from the Chairman of Committees.

Mr. Philipson: The Committee of the Whole has considered Bill No. 3, *Second Appropriation Act 1982/83*, and directed me to report progress on same.

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

Some Members: Agreed.

Mr. Speaker: May I have your further pleasure.

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

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

Motion agreed to

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

The House adjourned at 5:28 p.m.

The following Legislative Return was tabled November 23, 1982

82-2-3

Vehicles assigned to Liquor Corporation (Lang) — (Oral Hansar p. 162, Nov. 17, 1982)

The following Sessional Paper was tabled November 23, 1982

82-2-9

Letter to Solicitor-General of Canada regarding policy related to interception of communications of an MLA (Taylor)

