



The Yukon Legislative Assembly

Number 39

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25th Legislature

HANSARD

Tuesday, November 20, 1984 — 1:30 p.m.

Speaker: The Honourable Donald Taylor

Yukon Legislative Assembly

SPEAKER -- Honourable Donald Taylor, MLA, Watson Lake

DEPUTY SPEAKER -- Bill Brewster, MLA, Kluane

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Chris Pearson	Whitehorse Riverdale North	Government Leader -- responsible for Executive Council Office; Public Service Commission; and, Finance.
Hon. Dan Lang	Whitehorse Porter Creek East	Minister responsible for Community and Transportation Services; Education; and, Government Services.
Hon. Howard Tracey	Tatchun	Minister responsible for Economic Development and Tourism; and, Renewable Resources.
Hon. Andy Phillipsen	Whitehorse Porter Creek West	Minister responsible for Justice; and, Health and Human Resources.

GOVERNMENT MEMBERS

(Progressive Conservative)

Clarke Ashley	Klondike
Bill Brewster	Kluane
Al Falle	Hootalinqua
Bea Firth	Whitehorse Riverdale South
Kathie Nukon	Old Crow

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 20, 1983 - 1:30 p.m.

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

Prayers

DAILY ROUTINE

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

TABLING RETURNS AND DOCUMENTS

Mr. Byblow: I have for tabling a letter to Mr. Crombie, Minister of Indian Affairs and Northern Development on the subject of Cyprus Anvil.

Mr. Speaker: Reports of committees?
 Petitions?
 Introduction of bills?

INTRODUCTION OF BILLS

Bill No. 41: First Reading

Hon. Mr. Tracey: I move that Bill No. 41, *Yukon Tartan Act*, be now introduced and read the first time.

Mr. Speaker: It has been moved by the hon. minister for Economic Development that a bill entitled *Yukon Tartan Act* be now introduced and read the first time.

Motion agreed to

Bill No. 40: First Reading

Hon. Mr. Philipson: I move that Bill No. 40 entitled *An Act to Amend the Children's Act* be now introduced and read the first time.

Mr. Speaker: It has been moved by the hon. Minister of Justice that a bill entitled *An Act to Amend the Children's Act* be now introduced and read the first time.

Motion agreed to

Mr. Speaker: Notice of motion for the production of papers?
 Notices of motion?
 Statements by ministers?

QUESTION PERIOD

Question re: Mary Lake subdivision lots

Mr. Penikett: I have a question for the minister for Community and Transportation Services.

⁰¹ There were reports earlier this year that the lots in the Mary Lake rural residential subdivision would go on sale either this fall or next spring. Since it is quite late this fall, could the minister confirm that the lots will not go on sale until next spring, and if so, what is the cause of the delay?

Hon. Mr. Lang: It would be our intention at the current time, unless I hear arguments to the contrary, that these lots should be put out for tender this coming fall. The reasoning behind that would be to permit people to get the necessary financing and also to do the necessary clearing in order to get an early start for building in the spring or forthcoming season.

It should be pointed out that the first phase comprises 58 lots, which are acreage lots between the size of two and four-and-a-half. Once a decision has been taken as far as a date is concerned, it will be duly announced for release.

Mr. Penikett: Can the minister confirm reports that soils in a large number of the lots, possibly a majority of them, have been found not to be suitable for septic systems, or even building foundations. If he can confirm that, could he explain how that came about?

Hon. Mr. Lang: Not to my knowledge. I will double-check the statement that the member has put forward, but my understanding is that soil tests were taken in various areas of the subdivision prior to

going ahead with the work that has been completed. It was my understanding that those tests were favourable. If the member opposite has information to the contrary I would like to hear just exactly where it emanated from and I will check, because it would cause concern.

⁰³ **Mr. Penikett:** I have received a report today that says that possibly the majority of those lots have been unsuitable for septic tanks. Could the minister confirm this fact: that the geotechnical work on these lots was not done until most of the construction work and the \$700,000 subdivision was completed?

Hon. Mr. Lang: I will have to take that under notice and I will get back to the member opposite. If what he says is accurate, it concerns me as well.

Question re: White Pass railroad abandonment

Mr. Byblow: Recent statements by the president of White Pass suggest that the railway might begin abandonment procedures on January 1 because the costs related to keeping it in readiness for reopening will become prohibitive. What is the position of this government on the abandonment prospect of White Pass?

Hon. Mr. Lang: We have made it very clear that our policy, as a government, is that we would prefer rail as the mode of transportation. I read the same article as the member opposite refers to. It is of concern and there will be discussions among the various cabinet members responsible in this area, primarily the Minister of Economic Development, and I am sure there will be discussions ensuing with the Government of Canada on the matter as well.

I should further point out that the topic will be raised with Mr. Crombie who was appointed for the purpose of looking into the whole prospect of Cyprus Anvil and the question of transportation.

Mr. Byblow: I appreciate the minister's response. A Canadian Transport Commission recommendation on the subject states that the territorial and federal governments should share the costs of maintaining the White Pass facilities in their current mothball state. Has the government determined its position with respect to whether or not it has responsibility to share in those costs?

⁰⁴ **Hon. Mr. Lang:** Not as yet.

Mr. Byblow: The deputy prime minister has suggested that White Pass be taken over as a crown corporation. Does this government share this point of view, and what steps have been taken to explore that prospect?

Hon. Mr. Lang: No definitive decision by government has been made, to my knowledge, in respect to the White Pass and Yukon Railway. As the member opposite well knows, the future of the White Pass and Yukon Rail really lies in the federal domain as they are directly responsible for the resources of Yukon and for collecting the royalties thereto. If a decision were to be made toward that end, I am sure that there would be very serious consultation between the two levels of government. To date, those discussions have not ensued.

Question re: Smoking in public areas

Mr. Kimmerly: I would like to ask the Minister of Justice a question as he is fresh from defending a very popular policy on CBC radio, but I will not.

The Minister of Government Services stated yesterday that discussions occurred in his department regarding the policy of smoking in public areas. The previous —

Mr. Speaker: Order please. The hon. member appears to be making a statement. Would he please get to his question.

Mr. Kimmerly: Have discussions occurred with all departments about this proposed change in policy?

⁰⁵ **Hon. Mr. Lang:** The member opposite seems to be pursuing every vice that one can think of, depending on the time of day and depending on the place and political climate.

I would assume there have been some discussions, but to what extent, I do not know.

Mr. Kimmerly: When may we expect an announcement of the government policy in this area?

Hon. Mr. Lang: As soon as one is made.

Mr. Kimmerly: Does the member wish to collaborate with me on the wording of the next motion in this area?

Hon. Mr. Lang: No, I think the member opposite is quite competent in putting forward his point of view as far as the morals of the general populace at large is concerned, and I am sure that the member opposite will have a point of view, as will I. I question the motives of the member opposite, but I would say to the general populace, at large, that from my perspective, when I take a look at the member opposite, I really have to wonder at times where he is coming from. Because when one looks at it ...

Some Hon. Members: Speech, speech!

Hon. Mr. Lang: A couple of points of view — I have to wonder just how far Mr. Kimmerly is going to go to take care of the people of the Yukon along with the people of Whitehorse South Centre. He is going to take care of them from the womb to the tomb, and it makes one wonder just exactly what the role of government is.

Question re: Elk hunt

Mr. Porter: I would like to look at the minister but his jacket is so bright I cannot.

A question for the Minister of Renewable Resources: in the fall of 1983, the Minister of Renewable Resources committed government resources and personnel to an aborted elk hunt and, again this fall the same department assisted the Fish and Game Association with the elk lottery hunt. Can the minister tell the House what was the total cost of his department's participation in the elk hunt?

Hon. Mr. Tracey: No.

Mr. Porter: The reason the government gave in allowing the unprecedented lottery hunt for elk was for gathering biological data as well as a measure to generate a revenue for the territory. Can the minister inform the Legislature as to the amount of revenue raised by the Fish and Game Association for the elk lottery?

Hon. Mr. Tracey: No, I was told the figure but I cannot recall it right now. The Fish and Game Association was prepared to put back a significant amount of money into the elk project, and when we do proceed with the elk project we will be utilizing that money. The project was very successful, and it will allow us to gather the biological information that we needed in regards to the elk herd. We fully intend to bring some more elk into the territory to add on to that herd to try to foster its growth.

Mr. Porter: For the minister's information, according to a public source, the funds raised was \$9,600.

Mr. Speaker: Order please. I believe the purpose of the Question Period is to get answers, not to give answers.

Question re: Elk hunt

Mr. Porter: Somebody has got to help him. Did the minister for Renewable Resources also allow the elk hunt to proceed on the understanding that the funds raised by the Fish and Game Association would be used to assist the territorial government's effort to reintroduce wood bison to the Yukon?

Hon. Mr. Tracey: The Fish and Game Association works very closely with the territorial government and in quite a few different areas. Wood bison is one of them and elk is another. Regardless of where we use the money, it is all going into the same pot, which is renewable resources, and will be used for renewable resource projects. So, regardless of whether the money was given to us and we spent the money on bison or whether we spent it on elk, we intend to do both programs anyway, so it does not really matter. I do not know even why the member is raising the question.

Question re: Marwell area flooding

Mrs. Joe: I have a question for the minister of Community Affairs. Despite years of promises by different governments, the residents of the Marwell area still suffer through floods every year. Since this government has been studying the problem for years, can the minister tell us if his department has developed any long term plans to alleviate this problem?

Hon. Mr. Lang: It is a major concern to the people in the area, and I agree with the member opposite when she says they have been suffering for quite a few years. Responsibility, in part, as the member well knows, lies with the City of Whitehorse. We have been working over the past couple of years to see whether or not we

can come up with some sort of program that would help those people affected. To date, we have not consummated an arrangement with the Government of Canada and the City of Whitehorse. It is something I intend to raise in the near future with the city, and see what further can be done in respect to the situation as it exists today.

Mrs. Joe: The minister stated in this House two years ago that they were looking at a flood reduction agreement with the Government of Canada. Is the agreement even close to being signed?

Hon. Mr. Lang: There have been discussions as far as the flood reduction is concerned. I do not believe there has been an agreement signed between the two primary levels of government, the Government of Canada and the Government of Yukon, but I will take notice and update the member opposite as to where we are at the present time.

Mrs. Joe: Has the minister's department done a study that would indicate whether or not the installation of the fourth turbine on the NCPC dam would increase the flooding in the Marwell area?

Hon. Mr. Lang: I think it is safe to say that there have probably been three, five, eight or ten studies done in respect to what the effect on the Marwell area of the original dam. Depending upon whom you speak to, the point of view will be expressed either that it is as a result of the building of the dam or it is not, that it is just nature itself.

No, we have not done a study of the fourth wheel. It was just completed last year. We know we have our problems down there and we are going to have to deal with them accordingly in conjunction with the City of Whitehorse, and primarily the Government of Canada. They were the initiators in respect to disposition of land in the particular area in question.

Question re: Agricultural policy

Mr. McDonald: One problem facing government and the agricultural industry is the lack of firm data upon which the government may develop a policy and with which the agricultural industry may better understand the consumer market. Does the minister plan to initiate any studies of the local consumer market and agricultural development potential?

Hon. Mr. Tracey: Yes, we are doing ongoing studies. One member in the department, Mr. Filteau, has been doing a significant amount of work on the agricultural potential for Yukon. He has identified a great many areas where we do have agricultural potential. That type of work will be carried on in the future.

Mr. McDonald: Let me be a little more specific. Does the government plan to initiate any door-to-door surveys around the territory on the consumer market potential in the territory?

Hon. Mr. Tracey: I do not believe door-to-door studies to find the consumer market would be necessary. I think that we have adequate records in the commercial sector of what the local people require in the area of agriculture. I am sure that what the member across the floor is recommending would cost a significant amount of money, and not give us any more beneficial information than phoning up Super Valu, Food Fair and Super A, and getting information from them.

Mr. McDonald: Obviously, there is encouragement to debate this issue, but I will resist that. I am not making any representations, for the minister's information.

Has the government considered developing the buyer-seller guide for the farming community to permit a greater understanding of what agricultural products are available to be bought and sold in Yukon and to, perhaps, make producers aware of what areas there are for potential growth?

Hon. Mr. Tracey: I find the suggestions that the member is making incredible. We are not in Alberta or Saskatchewan or even in northern British Columbia. We are in the Yukon Territory. We have a small community. Everyone in this community, especially in the agricultural sector, has worked very closely with the people in government and with the Agricultural Development Council. They know quite well what is viable in the territory. As I stated earlier, the department has been working on identifying other areas and

when that information is available, it is made public to them as soon as we receive it. I think that the member is suggesting something that would be considered in a province like Alberta, not somewhere like the Yukon Territory.

Question re: Mary Lake subdivision lots

Mr. Penikett: I have another question for the Minister of Community Affairs and Transportation Services. Last year, lots in the Golden Horn Subdivision averaging 15 acres sold for about \$13,000 each. This year, the Mary Lake lots were to be sold for a reported \$15,000 each. Since it is the government's policy to sell lots at development cost, in this case, surveying, building roads and putting power and telephone line in, et cetera, can the minister explain why the three acre Mary Lake lots, with one fifth of the acreage, cost more than the Golden Horn lots?

Hon. Mr. Lang: The fact is the number of roads that were put in. Obviously, the costs associated with this were much more as far as the development that the member opposite referred to. Further to that, there is the cost of bringing power and telephone in.

I want to assure members opposite that we are selling them for development costs and that is what the bids came in at. That is the final bottom line as far as costs are going to be concerned.

Mr. Penikett: The minister mentioned that the major cost of putting in rural subdivisions is the roads. Could I ask him briefly to elaborate on why the Mary Lake lots, with about half the road frontage of the Golden Horn lots, cost more?

Hon. Mr. Lang: I can get a break down for the member opposite as far as the tenders were concerned. We have a minimum cost that the consumer will have to pay. I want to assure the member opposite — I am going on memory — but my understanding is that the costs of the Golden Horn lots were in the neighbourhood of about a thousand dollars per acre depending on the size and the location of the lot in question. These lots were, as the member opposite has indicated, about \$12,000, and that is what the prices are. I want to assure the member opposite that it is development costs and that is what we are selling them for. If the member opposite has another way of doing things cheaper, I would like to hear it. Perhaps, before long his vocation will be ended in politics and maybe he will be going into construction and he will then be able to under-bid other people, and the cost will be translated back to the consumer.

Mr. Penikett: The minister is projecting his future on his friends across the way here.

Could I ask the minister, and I ask this entirely seriously: was the hiring of geotechnical consultants one of the major factors for the increased cost of the Mary Lake lots compared to the Golden Horn lots, since that was, as I understand it, a new procedure. Was that a significant contributor to the cost of the lots?

Hon. Mr. Lang: Not to my knowledge, but as I said to the member earlier in Question Period, I am going to ask for a report from the department and I will provide the member with the information.

Question re: Del Van Gorder school closure

Mr. Byblow: I have a question for the same minister, but in his capacity as Minister of Education. The minister recently travelled to Faro, met with education officials, and announced, for safety reasons, the closure of the new wing of the Van Gorder School. For the record, what was the basis of that decision?

Hon. Mr. Lang: I just want to say that it was a very distasteful trip for me to have to announce to the staff and to the school committee that the reports that we had received indicated that the structural soundness of the new addition of the gymnasium, library and a number of classrooms, was questionable, and that it had been recommended to me that we shut them down because of the safety of students who would have been utilizing the facilities. It was the structural problems associated with the initial construction, and unfortunately it was my task to close it down. I want to assure the member opposite that we will continue to monitor the situation. All indications are that if the problems with the facility are going to be corrected, it is going to cost a substantial amount of dollars. I do not have the definitive figure in front of me at the present time, but

it would be expensive.

Mr. Byblow: The minister stated that it was recommended to him that the facility be closed for safety reasons. I have to ask again: what was the basis of that recommendation? Was there a report? Was there a study being done? Was something substantial given to the minister that prompted the decision?

Hon. Mr. Lang: There has been ongoing monitoring of the situation. The indications were that it had moved substantially between the time it had last been checked, as far as terminal change was concerned. It was felt that the facility should be closed for public safety reasons. Subsequently, the decision was taken. Further to that, we have had engineering consultants look at the structure since the closure. They concurred with the recommendations from the department that it was in the best interest of the public that it be closed. As I indicated to the member opposite, we are continuing to monitor the movement of the facility, because it is strictly a foundation problem. If any decisions are taken as far as the facility is concerned, we will let the member opposite know what is going to take place.

Mr. Byblow: During the past two years, the school committee has been attempting to get some reports or studies that would gauge what is happening with that wing of the school. Will the minister make available at least the last round of studies to the school committee now?

Hon. Mr. Lang: I think it is safe to say that I have indicated to the school committee, as well as to yourself, that if decisions are taken in the near future regarding that building, I would definitely contact the various parties involved. I do not think it necessary for us to release further reports. I acted on a recommendation from the department regarding the closure; the decision was made and verified further from other consultants' reports. Some of the information in that report should be internal as it could be a basis for further decision-making with respect to further renovations or changes to the facility. At the present time, I would decline the offer made by the member opposite.

Question re: Mental health

Mr. Kimmerly: To the Minister of Justice, a follow-up question to yesterday's question about mental health: he will be aware that the courts have interpreted that amendments presented last spring mean that territorial court judges have no jurisdiction in the area anymore, is it a government policy that this should change?

Hon. Mr. Philipson: The first statement was slightly erroneous. I am not aware that that decision has been made.

Mr. Kimmerly: That is unfortunate because it is accurate. I would ask the minister what he has done since spring to promote or encourage training of justices of the peace who sit in the mental health area.

Hon. Mr. Philipson: The training of the justices of the peace would have been done under the territorial supreme court judges, and I do not believe I am aware of what has gone on in that at this point of time.

Mr. Kimmerly: The JPs are going to meet for a training session in February. Will mental health instruction be included in that program?

Hon. Mr. Philipson: I am not sure that it will be.

Question re: Elk hunt

Mr. Porter: I have a question to the Minister of Renewable Resources and I hope I can get an answer this time. If the minister is not able to provide this Legislature with the cost to this government for his department's participation in the elk hunt, a responsibility that he has sworn an oath to, when may the Legislature expect an answer from the minister on this expenditure of taxpayers' dollars?

Mr. Speaker: Order, please. Perhaps such questions requiring statistical or fiscal information could be properly taken as written questions, or perhaps notice could be given to the member. If the minister has those figures, I would ask him to proceed.

Hon. Mr. Tracey: All I can say is that if the member expects me to have, at my fingertips, the cost of every program that is involved in the department, then he thinks I am a much better man

than I am, and certainly a much better man than he is.

Mr. Porter: That is why we elect a government. The program has been on for two years. Did the Minister of Renewable Resources allow the elk hunt to proceed on the understanding that the funds raised by the Fish and Game Association would be used to assist the territorial government's effort to reintroduce wood bison to Yukon?

Hon. Mr. Tracey: It is the same question that I have already answered. It does not matter where the money goes, whether it goes to elk hunt or the wood bison, both are proceeding. Regardless of which one they are presently funnelling the money into, and I believe that it was the wood bison project, it makes no difference anyway. I cannot understand why the member is raising the question.

Mr. Porter: In the 1983 October-November edition of *Yukon Info*, this government's publication of the discussion on lotteries, there was a statement that the proceeds would go towards the purchase of six miles of special wildlife fencing for Yukon Government's fledgling bison program. Does the minister accept or deny the fact of this statement?

Mr. Speaker: I would think that the question would appear to be argumentative. I will not require the minister to answer. If he wishes to, that is fine.

Hon. Mr. Tracey: I am not in court and I do not intend to be treated like I am in court. If he wants an answer to the question, he can ask it. To make a charge of whether I deny or agree with it is irrelevant as far as I am concerned. If he wants an answer to the question, he can ask it and I will reply to it.

The Fish and Game Association did provide money for fencing. In fact, all of the fencing is presently at the site, and when the posts are in place, the fence will be installed.

Question re: Battered women report

Mrs. Joe: The government's report on battered women was released on October 30 and includes 97 recommendations on ways to improve the social health and legal services to battered women. Is the justice minister's department in the process of implementing some of those recommendations.

Hon. Mr. Philipson: Yes.

Mrs. Joe: Since many recommendations deal with funding and training, is it the intention of the minister's department to increase funding to existing programs that deal with battered women?

Hon. Mr. Philipson: The recommendations that the government are to follow up on at the present time are the first recommendations of the report B, and have been followed up on by continuing the existence of the departmental committee on wife battering. The second recommendation, that the representation on this committee be widened to include the interests of the Department of Health and Welfare of Canada, the Department of Inuit and Indian Affairs, Correctional Services with the Yukon Justice Department, and selected private agencies, has been followed up on. At this point we will leave the recommendations to those two, and then, after those have been followed, we will see what they come up with for further recommendations for us to follow.

Mrs. Joe: The minister has stated in his press release that an interdepartmental committee would be established. Has he since established that committee and if he has, who is on it?

Hon. Mr. Philipson: Yes, on the basis of a steering committee for the battered women's report.

Question re: Mining task force

Mr. McDonald: I have a question for the minister responsible for Economic Development. Last spring the mining task force, now evolved into the mining advisory committee, was established to study the problems facing the mining industry and to recommend solutions to the Yukon government. At the time, last spring, the group's priorities had not yet been established. Can the minister state briefly what they are?

Hon. Mr. Tracey: Yes, I can state briefly what they are. Their concerns are the concerns of the mining industry in the territory, and at this time especially, the concerns of the placer mining industry in the territory. As I stated yesterday, we have met, and

they have expressed some of their concerns to me. It was unfortunate that all of the membership of the committee could not be there; some of the people were missing. There were only three members of the committee, plus myself: the vice chairman, Mr. Falle; the Chamber of Mines representative, and one other representative, Mr. Granger, who represents one of the other organizations. It is unfortunate that the placer mining people could not be there because of their business. It is just newly formed, and we are still trying to put the research capability in place in that department so that we can do research for them. Probably by next spring when the member asks questions, I can give him definitive information about what we are investigating on their behalf.

Mr. McDonald: One initiative for the committee suggested by the Yukon government last spring was the creation of a new mining department. Has the Yukon government been given any clear indication from federal authorities if the responsibility for minerals and resources will be transferred from the federal government to the Yukon government, and if so, what form will these indications take?

Hon. Mr. Tracey: No, we are at the present time negotiating with the federal government on transfer of resources, and the mineral resources are only one of those resources that we will be concentrating on. There are other aspects of mining that have to be put in place first. If the members have looked at the *Occupational Health and Safety Act*, for example, you will see that all the mining safety is in there. Measures such as these have to be taken before we can expect to have the transfer of the resources to us.

Mr. McDonald: At the Northern Resources Conference in October, the deputy chairman of the mining advisory committee was rather critical of the Department of Northern Affairs for not letting us establish formal links between his department and the committee in the determination of the mineral policy development. What representation is the minister making to the federal authorities to have this problem rectified?

Hon. Mr. Tracey: I was not at the Northern Resources Conference, unfortunately, as I was away at my son's wedding. I am aware that the vice chairman did make some remarks about the lack of consultation between the federal government and the committee. Basically I think that I would support him in that stand. I believe that the federal government should keep the mining community and the territorial government involved and informed on what they are doing. I basically agree with the stance that he took. I certainly hope that in the future the federal government will keep us and the committee informed.

Question re: Child abuse

Mr. Kimmerly: Yesterday, I asked the minister responsible for *The Children's Act* about consultations with the nurses and doctors. I will ask the question again.

Because it is not now mandatory to report suspected child abuse, have any discussions or negotiations occurred to establish a reporting policy with the Nurses Association?

Hon. Mr. Philipson: Not to my knowledge.

Mr. Kimmerly: In light of the discussion around the passage of the *Children's Act*, is it policy of the government to inquire of these associations if any policy is being formulated?

Hon. Mr. Philipson: I believe the question asked was if it was in light of the the discussions around *The Children's Act*, and was it the policy to see if anyone wanted reporting included. The Department of Education may have something to say about that and I refer that to the Department of Education.

Mr. Kimmerly: I would ask the Minister of Education and give him the opportunity to explain what the teachers are now doing?

Hon. Mr. Lang: The question was asked yesterday and I have some further information from the department this afternoon. We are working with the principals and there will be a draft policy presented to the principals at their meeting this coming week, which refers to a child abuse recording policy in the school system. It will be discussed this coming weekend and we would expect further discussions with the teachers over the course of this year. We expect final comments to come from that department by 1985. There will be a firm policy by then.

Question re: Wood bison program

Mr. Porter: A question to the Department of Renewable Resources minister represented here: in 1983, the Department of Renewable Resources, in conjunction with the Canadian Wildlife Services, announced a program to re-introduce wood bison to the Nisling River area of Yukon. What were the budgeted costs of the wood bison program when it was announced?

Mr. Speaker: Again, I would think that if the hon. member is seeking information respecting financial figures, this would be very difficult and perhaps a written question would get the response. But, if the minister, again, has that information, I would permit an answer.

Hon. Mr. Tracey: The member across the floor is not interested in the amount of money. He already knows what the amount of money is. I fail to follow his line of reasoning. All I can say is that to the best of my recollection, the cost of the program was in the eighty- to one hundred thousand dollars range. I am not exactly sure of the number.

Mr. Porter: If he cannot do his job and provide those costs to us, I would like to ask him a different question. In January of 1984, the people employed to assist on the wood bison program attempted to drill fence postholes at the Mackintosh Creek area of the Nisling River. Did the fencing crew experience any problems while attempting to dig the postholes, and what were the causes of those problems?

Hon. Mr. Tracey: Yes, we did encounter problems. The problem was permafrost. We had a terrible time trying to get the fence postholes in and getting the fence up. We recently allocated more money to that project and took Midnight Sun Drilling in and they are now drilling postholes in order to install the fence.

Mr. Porter: I understand that the cost associated with the need to bring in Midnight Sun Drilling is in the neighbourhood of \$50,000. Is that correct?

Hon. Mr. Tracey: Yes.

If you had asked that in the first place, you would have got the answer.

Mr. Speaker: Order, please. We will proceed now to Orders of the Day. May I have your further pleasure?

ORDERS OF THE DAY

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

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

Motion agreed to

Mr. Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Mr. Chairman: I will now call Committee of the Whole to order. We shall recess until 2:30. At that time, we will go on with Bill No. 39, *First Appropriation Act, 1985-1986*.

Recess

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

On Department of Economic Development and Tourism

Mr. McDonald: In a question yesterday regarding the agricultural industry, I suggested that there was a necessity for the industry to understand the implications of the government's policy over the long term. That industry which, of course, is in its infant stages is requiring some government assistance, certainly regarding the accessibility of land and various other programs which I have formally and informally suggested to the government ministers at various stages over the last couple of years.

Could the minister indicate to us his government's commitment to industry, and whether or not the commitment can be relegated

merely to small business assistance programs that the government has initiated, and whether or not they have taken the trouble to tailor the small business assistance to the agriculture industry. I believe that one consideration given to any loan program might be that the loan be offered over a long period of time because the return of investment in that particular industry is long in coming. I wonder if the minister would care to comment on that.

Hon. Mr. Tracey: To date, we have tried, as much as possible, to work with the industry to develop agriculture in the territory. We do not have long term financing in place for the industry. That is something that we would have to look at for future years. At the present time, I am trying to tailor our agricultural industry and our agricultural representation in the territory so that outside programming from the federal government can be available to it. Unfortunately, under the existing situation with the Agricultural Development Council, it is virtually impossible for the agricultural industry to draw on the availability of federal dollars.

One of the considerations we are working on with the Livestock and Agricultural Association is to review the Agricultural Development Council and the Agricultural Association to see if there needs to be some structural changes made in order to make the Agricultural Association more representative of the industry so that they are eligible for federal government dollars. There are a lot of dollars out there for agriculture. Right now, we are trying to restructure it so that we are capable of getting those dollars in the territory.

Mr. McDonald: I understand that some of the difficulties in requiring federal funding for the agricultural industry is that many farmers are occupied as parttime farmers, or are not qualified to receive full taxable benefits for their endeavours.

One suggestion, I know, that has been made to the minister — which to some extent he covered this afternoon in the Question Period — is the question of studies to determine the growth potential of the territory and the nature of the consumer market. Now, it is my understanding, simply reading the minutes of the Yukon Livestock and Agricultural Association meetings, that this is a suggestion that has been made to the minister, because they perceive a need for a better understanding of the agricultural community. They believe that their understanding is rather limited to friends and neighbours within a particular community.

One suggestion was that perhaps a survey of the territory might be in order, nothing elaborate, of course, but a survey which would identify consumer potential within the agricultural fraternity, in terms of purchasing of feed grains, et cetera, for livestock, and also to determine the nature of the consumer market in general.

One suggestion was that a door-to-door survey — not explicitly, not literally, a door-to-door survey, but a survey of all involved members of the industry — might be in order to determine just that sort of thing. Of course, when you are developing policy as a government, it is worthwhile to understand what the industry can produce, what potential the industry does have, and where your strengths lie. That, according to the minister's own department, is the kind of information we do not really have. Perhaps a survey analysis of the Yukon market and Yukon producers would be in order to help in the development of policy.

It would help in the understanding of where we need education. It would help the Minister of Education, for example, to understand what courses would be more necessary to promote through Yukon College and others.

I am wondering if the minister could elaborate on his comments from Question Period in this regard and help me to understand the government's position on this Yukon Livestock and Agricultural Association's request.

Hon. Mr. Tracey: Well, I am not trying to call down the Yukon Livestock and Agricultural Association. In fact, it has taught me very much and I have been trying to work very closely with them to restructure the organizations within the territory so they can be more representative of the industry, and also call on federal dollars and federal support. We work very closely with them, but we cannot do everything. I think the people involved who are interested in getting into agriculture have a responsibility, too. The responsibility is not just to ask the territorial government to identify

every aspect of what they are considering getting into, and telling them whether they can make a dollar out of it or not. It is no different than any other entrepreneur going into business. He has a responsibility to identify his chances of profit and loss. So, although we are working very hard to develop agriculture in the territory, we do not have unlimited resources either. We have only one or two people who are involved and they work very hard at it. The Agricultural Development Council, especially the chairman, has worked very hard at identifying areas as well, but we do not have unlimited resources in order to do the studies that the member across the floor is speaking of. I think that we have identified a great many areas where there is potential. One of the persons we have on staff has identified the potential for grains, wheat and whatnot, in the territory. There is a good possibility that it could be grown here.

But as in most agricultural pursuits, I think that what was necessary was to get the facts and figures of what the sales are in the territory and what the potential is of sales. It is senseless to go into raising — you name it, I guess it does not really matter what it is — any agricultural pursuit, if in order to make a dollar at it you have to sell more products than you have available to market. Although we do work closely with them and try to identify as much as possible what markets are available, the question the member across the floor is asking me would require another one or two persons in the agricultural department. At the present time, I do not think we could justify expending that type of money in order to gather that information. As I stated, when you asked the question in Question Period, a lot of the information can be recovered by simply calling Kelly Douglas, or Super A, or Food Fair, and finding out what their volumes are.

For example, we have people in the territory who raise chickens, and they want to be able to sell their products but, in order to sell their products, they have to know what the potential volume is, and they also have to have the availability of a meat inspector. At the present time, we do not have one in the territory. Fortunately there is a person in the territory. Right now he is outside doing some studies on meat inspection. Perhaps, within a month — or at least this winter — we will have someone in the territory who is capable of doing meat inspections, and we can start to develop sales for poultry farmers in the territory and beef products, as well. We have to crawl before we can walk. I suggest that, perhaps, the member across the floor is asking us to do a little more than crawl right off the bat.

Mr. McDonald: I do not know where the minister gets the idea that I am asking for something that is very, very elaborate or very, very costly. The minister suggests that we should crawl before we walk. I am suggesting that we should know how to walk while we are crawling. We should learn what it is going to take to walk while we are crawling. We should determine the basis for policy development now. We should start learning what it takes to make good policy now. Now, the minister has suggested that the Yukon farmer is no different from any other entrepreneur, and that he has to do a market analysis himself. The government provides the service for business, generally, in the territory. It is called the Yukon Business Directory, which is meant to do exactly what I am suggesting should be done for the agricultural industry. It would identify producers, and it would identify what is being done in the territory so that people will know what each other is doing, they will know where the potential is and they will know what is being covered already. They will have a better understanding of the industry as a whole.

Now, I am not, nor do I believe that the agricultural industry is, asking for a blank cheque to have everything done now. There are asking for a reasoned, responsible development of the industry. One of those initial steps that must be taken is to acquire a better understanding of the nature of the industry. The minister mentioned that the department, and he mentioned Mr. Filteau, has done analysis on the potential for things — in the minister's words — grains and wheat. What the department has done is to perform a very rudimentary analysis of what the available arable land can produce and a very rudimentary equation with the local population to determine what the population could absorb. There has been no

more technical, or more involved, market analysis to determine whether or not there is room for that kind of competition in the industry today. Simply canvassing the competition, canvassing Kelly Douglas, I do not believe is going to provide the kind of answers that the farmers want to hear and want to know.

That is why I believe that, if we are going to develop policies as government, we have to know what we are talking about. If we are going to encourage farmers to produce certain kinds of products, whether it be feed grains, whether it be potatoes, or the dairy industry or poultry or whatever, we should have an understanding of what implications there are in the market place for encouraging that kind of activity.

I think that it is very important from the government's point of view that we do have a greater understanding of what the industry is all about. One of the first steps would be this kind of survey, a rudimentary survey, of what we have and of what we need.

I think that it is very important for the industry to do the same thing. The industry is underdeveloped right now and I do not think that anyone would dispute that. It wants to develop in ways where they can maximize their potential. The government can help them do that. Each individual farmer cannot do an analysis of the market himself. He may want to invest considerable personal funds in a particular venture such as egg marketing, for example, but he does not know whether or not the market in Whitehorse can stand that kind of competition, or whether or not he could compete with his dollars. When he attempts to get private financing, it is very difficult for the bank manager to determine whether or not his venture is viable.

I think the government could provide this kind of information. This is the kind of study that I think the government should undertake. To reiterate, I am not asking the minister to undertake any elaborate, fully technical studies. I am asking for the government to undertake some rather rudimentary studies, which I think will help the marketing end of production. We have already covered the technical end of producing agricultural produce and it is, to a large extent, being met by the department already.

I do not think anybody disputes that. The minister suggests that we could possibly provide a meat inspector for Yukon. We will know when the meat inspector arrives whether or not there will be meat inspections. That is a backward way of going about determining whether or not we should have meat inspection in Yukon. We should determine whether or not there are enough producers and whether or not the market can stand a red meat industry. Once we get that kind of information, then we can opt for possibly supplying a meat inspector for the local industry.

I think that that is the route that the Yukon Livestock and Agricultural Association is opting for now, because that is the most sensible route to go. I, for one, am convinced of that. I do not think that waiting for a meat inspector to arrive in Yukon, or for a veterinarian who is willing to do meat inspections arrive in Yukon, is the answer to whether or not we should have meat inspections in Yukon.

I think that there are some things that we could be doing now, which will mean that, by next spring, we can start making some of these determinations. We can start determining whether or not we should provide meat inspection, or whether or not the industry should invest themselves in, perhaps, a granary, or whether the industry should provide itself with abattoir. Those are some of the questions we would like to have answered by next summer, but we are going to need these tools to have those questions answered by that time. The study is the way we will go about that.

Hon. Mr. Tracey: I did not know that the member across the floor was a member of the Livestock and Agricultural Association. Obviously, he would like to intimate to the public that he speaks on their behalf which, I can assure you, he does not.

I would also like to make another comment. It is fairly obvious that the member across the floor has never been in business and, the way he is talking, he never will be in business because he will expect government to do everything for him. I am sure that I can speak on behalf of the Livestock and Agricultural Association and say that that is not what they want. They do not want government to do everything for them. They want help from the government when

help is necessary. At the present time, that is exactly what we provide.

If someone comes to us who wants to develop the poultry business, he puts a proposal to us and we deal with this the same as we do with any other business proposal in the territory. We help them as much as we possibly can. That is not saying that we do everything for them. As in any other business, they have a responsibility to do the major amount of the work on their own. It is not up to government to do all of the work and put the proposal to someone and say, "Here, give me \$50,000 and you are in business". It is up to them to identify what they want to get into, and then do some basic investigating. We will help, but they have to show the initiative. We have helped a great many of the people in the industry already, and we are continuing to do so.

We have one proposal for a milk production facility in Yukon Territory, that we would have allocated a few thousand dollars for. I understand that, perhaps, they have gone through on their own now without our participation. We are prepared to step in and help with programs such as that so you can see the benefit to the territory.

²¹ For the member across the floor to suggest that government should be doing everything and providing all the information, is just not the philosophy of this government.

Mr. McDonald: The minister started by mentioning the fact that I was not speaking for the YLAA and that I was not a member. Whether or not I am a member is irrelevant to this debate. The government leader has something he would like to say and I will allow him to say it.

Hon. Mr. Pearson: I am sitting down, Mr. Chairman. I have nothing to say.

Mr. McDonald: I see the government leader was only intending to kibbitz and not to have his remarks on the record.

The minister mentioned that I was not a member of the YLAA, as I said, and it happens to be an incidental fact that I am a member of the YLAA. However, I am not speaking on behalf of the YLAA, I am speaking on behalf of this party in this house, and the industry as a whole. Now, I have not said at all, in any circumstances, in any situation, that the government should do everything for the agricultural industry. That is quite an erroneous assumption that the minister has made because I think he would like to dodge an issue of which he has very little understanding.

The industry, as I understand it, does not wish the government to do everything for them, but they do wish the government to provide certain kinds of information which will help out the industry. The agricultural industry, as I understand it, is different from the mining industry in that its consumer market is local, its consumer market is spread-out, its resources are limited and, if the government is going to support the agricultural industry, they are going to have to acquire some understanding of the idiosyncrasies of this industry.

The minister gave a long, drawn-out speech yesterday about how much he wants to be versatile in dealing with various new ideas that come a-courting. Now, he is suggesting that everybody is going to have to fend for themselves, that it is not really necessary to acquire an understanding of this particular industry and that, if they cannot fend for themselves the way every other industry fends for themselves, we are not going to promote this industry at all.

Well, I will reiterate, every other industry in this territory is not entirely looking after itself, in the strictest sense. This government is involved with other industries. This government is involved heavily with the tourism industry, whether it is through grants or whether it is through low-interest loans — in all sorts of ways. This government is involved in the business community as a whole, engaging in business tours in southern Canada, business tours in Alaska. I admit that the minister did act on behalf of the agricultural industry in Alaska and did promise the Alaskans that, perhaps, he would open up the consumer market in Yukon to Alaskan farmers. I can say for a fact that that was not well-received by the agricultural industry in the Yukon. The minister may want to challenge that, but I think that public statements speak for themselves.

They also provide things such as a Yukon Business Directory for businesses. They do detail what businesses do in Yukon so that other businesses will know what services are being provided.

²¹ The kind of survey that has been done for other businesses could equally be done for the agricultural industry. The agricultural industry is a smaller industry. The cost of market surveys that would have to be done would obviously be less than the cost of that which was expended on the business community as a whole. Providing that kind of baseline information, of circumstances under which the industry could prosper, is the sort of thing that I think the government should be doing. I am not saying the government should be doing everything for the farmer. The government is not going to be getting up early in the morning and milking the farmers' cows. The government is going to be telling the farmer that, if he goes to the bank and borrows \$100,000 to provide milk in the territory — whether or not that is a reasonable direction for his funds — there is a market for that kind of product.

It can also perhaps tell him that, through a business directory, there are certain places in the territory that do provide low cost grains. You are not doing the business for the farmer. You are assisting the farmer in the ways that the farmer would like to be assisted. It is nothing more elaborate than that. You are not doing the farming for the farmer. You are assisting the farmer by providing him with a directory of business that the government has already provided for business as a whole.

I am not even counselling the government to do what the government has already done for the tourism industry by providing direct grants to individuals to build up their entire operation. I am not even asking them to do that. I am asking you to do something that is much more simple than that, much less involved than that. I do not see why the minister feels that I am asking the government to do everything for the industry. He obviously is not hearing what I am saying, and he is obviously not hearing what I think the agricultural industry is saying.

Hon. Mr. Tracey: This discussion is not very productive. A point in fact is that we do encourage the agricultural industry. We work very closely with them and we expend a fair amount of dollars in this territory helping the agricultural industry and I will leave it at that.

I would like to challenge the member across the floor on the statement that he made saying that I told the Alaskan people that I would open up the agricultural area in the territory for their business. That is an inaccurate statement and nowhere in *Hansard* will he see that, and nowhere have I said that. I would like him to retract that remark.

Mr. McDonald: I have absolutely no intention of retracting that statement. I will base that on two sources of information: one is the Yukon government press release in which the minister is quoted as saying something to the effect that he promised that the Alaskans could easily get their Yukon market, and that if we were to be considering trade with them, then we have to give them something in return. We could give them the Yukon consumer market because our own industry was underdeveloped. That statement, I believe, speaks for itself.

In any case, during the Northern Resources Conference — at which the minister admitted he was not in attendance — a representative of the Government of Alaska had a conversation with me in which she was convinced that the minister had made an open invitation to the Alaskan industry to provide agricultural products to Yukon.

²² They felt that there was *quid pro quo* there, that if we wanted to sell anything to them, that they would have to open up their arms to us. That was an area for some growth potential for their agricultural producers; they could enter the Yukon market and sell products here. That was of some concern to the agricultural industry in Yukon, because their industry, at the moment, is under-developed. They have not been able to take advantage of the kinds of public support available to the farmers in Alaska. There has been massive support given to Alaskan farmers in terms of the transportation infrastructure; in terms of land development, in terms of low interest loans, crop insurance, meat inspection, state aid prior to development, state aid to ensure that the farmers, when they began producing, would have a lot of factors already in hand. The uncertainty of industry was greatly reduced by the amount of state expenditure.

Now those farmers are going to be competing in the Yukon market where this government feels that perhaps the most they can do is provide the land. Whenever we suggested that there ought to be a survey of producers in the south and consumers in the Yukon market, the government criticizes those people for suggesting that the agricultural community wants everything done for them. That is the difference between the Alaskan producer and the Yukon producer. The Yukon producer gets no assistance and the Alaskan producer gets a lot of assistance. Whatever promise the minister made, whatever promise he thinks he made, in Alaska, whatever statements he made, or whatever statements he thinks he made in Alaska, the results have been damaging. I do not think there is any question about that. The Alaskans feel that they are going to come in here. The Yukon producers feel that there is a problem there because they do not feel that they will be in position to compete with subsidized farmers. That is the result of the minister's statements in Alaska.

Hon. Mr. Tracey: I would like to give fair warning to the member across the floor. He made a statement in the House this afternoon, that I promised that I would open markets up to Alaskans. I would like a retraction of that statement because it is inaccurate. I would like that statement to be retracted. He has no evidence of my making that statement in any conversations I had with people in Alaska or with the people in Yukon. It is very inaccurate. All I suggested to Alaskans was that one of the possible markets that they could investigate was the sale of agricultural products in Yukon. I suggest to the member across the floor that he take a very close look at what he said today, because I expect a retraction of that remark.

Mr. McDonald: The minister is not getting a retraction of that remark. The minister has made statements in Alaska, the result of which has led to a great deal of uncertainty in the Yukon agricultural fraternity, and has led the Alaskan government to believe that this government is going to encourage the introduction of Alaskan produce to Yukon consumer markets. That is the result of the minister's statements. If the minister would like to wait just a few minutes, if you want to take a break, I will go out and I will search my records for the press release which essentially says the same thing. I am perfectly prepared to do that. Under no circumstances am I going to withdraw the remarks I made this afternoon.

Hon. Mr. Lang: I want to enter the debate in a conciliatory manner because I find the allegations being made by the member opposite, with respect to our good friends in the State of Alaska, to be inappropriate in my view of the discussions that have gone on here. I had the good fortune to head a delegation of the agricultural community to Alaska when I was in charge of that particular portfolio. I want to say that the Alaskans were more than cooperative. We had the opportunity to tour the delta area to see the work they have done in agriculture there. We also went to the University of Alaska, where a number of the professors and a number of people in the agricultural business took time out to speak to those people representing the Yukon Livestock Association to give some advice as to what has occurred in Alaska.

I think, at that time, I reported to the House the positive aspects of that trip and how it related to the Livestock Association. I think that the vociferous attack by the member from Elsa is not constructive from the point of view of the relationship with the State of Alaska, if they see that this House is divided on the issue of working in cooperation with the farming community in Alaska. It should be pointed out that the consumer is going to dictate what is going to be sold successfully here in Yukon or Alaska. The point is our markets are that close together. Perhaps there can be an interchange of goods between the two areas that is going to be conducive to both market places and to the consumer.

I want to say that I resent the insinuation by the member opposite. I do not think that he intends to attack the Alaskans and what they are prepared to offer. I think that, if we close the door on Alaska, from what the member has indicated he would do, you are closing the door where a great deal of information is available and practical experience in areas which are very similar to ours, from a geographical point of view as well as from a climatic point of view.

We can get that information at very little, if any, costs as far as the Alaskans are concerned. They have volunteered that information, if anyone wishes to pursue it.

I think that it is unfortunate that the member for Kluane is in the Chair because he would probably be the most learned as far as the agricultural business is concerned because of his background. I am sure that he would be able to contribute to the debate that is going on.

Let us be careful with what we say about the Alaskans, because they are good friends and it is too easy to make enemies of friends through statements that really one does not intend to make. I think that they have been cooperative and they are prepared to provide information. Even the member opposite will concur. If he writes to the University of Alaska, or anyone in the delta, or the centre responsible, or the member of the House of Representatives, they will provide that information which is very valuable on a day-to-day basis to the individual involved in the farming community.

I think the other point that has to be made is that the member opposite should be looking at this from a logical point of view instead of trying to raise a red herring. Although these markets are available, it is my understanding that they cannot presently supply the marketplace in Alaska. Of course, that is what they are going to try to do initially, in any case. I think that it is fairly safe to say that there is market here, as well, and it is going to be up to us to compete. I think that the consumer here is going to dictate what product they are going to purchase.

Mr. McDonald: The former Minister of Agriculture suggested that my remarks were inappropriate in some manner and that I was doing something that was nonproductive by indicating that the House was divided on the position that the Minister of Economic Development had taken. He suggested that, in some way, we should have a unified policy when it comes to dealing with the Alaskan government.

First of all, the minister has never consulted with me about the position of this side of the House on agriculture. Because this is the only forum that I am aware of, in which to debate, I do not feel that there is anything inappropriate at all about challenging the minister's statements regarding this kind of matter.

Both ministers are going to have to understand that, when they go on trade missions on behalf of the territory and they make statements to other governments, it is not the same thing as making statements to friends in a local coffee shop. The ramifications of what they are saying can be quite serious. If you go to the Alaskans and suggest that there is an open market for agricultural goods in Yukon, you are sending a certain kind of signal to Alaskans. It is a signal that the Alaskans are going to pick up immediately. They are always looking for ways in which to expand their agricultural production.

At the same time, the Yukon producer is looking for ways in which it can expand their production. The Yukon producer is in a very unfortunate situation at the moment, because he has not had the amount of public support that the Alaskans have enjoyed. I am not suggesting for a second that we should keep the Alaskans out of all our markets if we expect to trade with them in the future. What I am suggesting is that we should be attempting to ensure that if we are going to promote the agricultural industry in Yukon, we should be in a position where we can ensure that our farmers have a chance to compete with the Alaskans. That may mean that we give our farmers a certain level of public support.

I am not suggesting for a second that we should not have an interchange of goods with the Alaskans. We should have an interchange of goods with the Alaskans. We should, on the other hand, make sure that we know what kind of goods we are willing to interchange. We should know the ramifications of the promises we are prepared to make. If we are going to give, *holis-bolis*, the Yukon consumer market to Alaskans, we have to understand the ramifications of doing that. If we are going to suggest to them that this is an open market, that is essentially the same thing as saying, "Come in, we are not going to stand in front of you. We are not going to prevent you from competing with our underdeveloped producers in Yukon".

²⁵ What I am suggesting is not inappropriate. I am suggesting that if

the the minister is going to go out on missions and make suggestions, make statements, make promises, then he is going to have to understand the ramifications of those promises and those statements and those suggestions. Without the kind of studies, which I am suggesting the government should take, I am at a loss as to how the minister can make that kind of statement with secure feeling that he is doing something that will benefit Yukon as a whole, or even benefit the agricultural industry.

If we are going to give up our consumer market to the Alaskans, we have to have an understanding what it is going to mean to the Yukon farmers. Are we willing to sacrifice the Yukon farmer? Perhaps we are acting in the consumer interest. We should know whether or not we are willing to sacrifice the Yukon farmer. If the balance of trade is going to increase so significantly, maybe we can afford to sacrifice this industry. I, for one, am suggesting that we should not sacrifice that industry in the immediate term. Our first reaction should be to protect it, and to understand the nature of the industry and consumer markets first, and then make statements to Alaskans that might encourage them to think that they can come into the Yukon market and sell their products. It is a simple proposition. I think it is quite defensible.

Hon. Mr. Tracey: I was going to rise on the question of privilege with regard to the remarks that the member across the floor made and his inaccurate statement about what I had to say and what I had said. I do not appreciate words being put into my mouth by the member across the floor, and I will let him know that. If it ever happens again, I certainly intend to rise on a question of privilege, and perhaps even challenge his right to his seat in the House.

Obviously, the member across the floor has a totally different concept of world trade from most other people in the world. It is obvious to me that he thinks that we should build the agricultural industry in the territory here and then, when we have it built for 25,000 people, I suppose that is as far as it is going to go. As soon as that happened, he would be up here asking us to develop export trade for the agricultural industry. He had better recognize right now that if he thinks he is going to protect the industry here, then exactly the same is going to happen on the other side. That is why we have an organization and agreements such as the GAP agreement that we will not have protectionist legislation, or protectionist tariffs. If we are expecting to trade with other countries, and with other provinces and states, then we have to reciprocate.

Regardless of what he says, I made a remark that agricultural products are one of the things that they could consider exporting into Yukon Territory, and I stand by that remark. I had conversations with some of the members of the Livestock and Agricultural Association and they agree with me on that. They have no problem with that. Everyone has to be able to compete and, if they cannot compete, then they obviously are in the wrong business. Certainly, if the Yukon farmer cannot compete in the Yukon market, then perhaps he is getting into the wrong business.

Mr. Chairman: Order please. May I suggest that we get back on to Economic Development and Tourism. We seem to be going nowhere with this one. Could we go on to some other general debate, and then we could come back to this one when we have cooled down?

Mr. Penikett: Mr. Chairman, just let me give my colleague a rest.

I must say that I am always entertained while listening to the present Minister of Agriculture talk about agriculture. I am reminded of one of the first questions I asked him on the subject, back in 1979, March 27, which is recorded on page 251 of *Hansard*. "As I told the member earlier in this session, a lot of this agricultural area has been looked at. There are some areas that are viable; however sooner or later, most of these people are going to get frozen out, then they are going to come looking to the government for help and we really do not know just where to go in it, so we are still taking a very hard look at it". Now, that is not what I want to talk about actually. While we were in general debate, I wanted to ask the minister, by way of a rambling question, something about local employment and training in the tourism

industry, particularly since a lot of the capital budget is directed to grants and aid of one kind or another to the tourist industry.

Let me, by way of a preamble, explain my interest to the minister. Back in the summer of 1983, I had occasion, following a discussion with a number of parents in my constituency, to write to an official of the Yukon Visitors Association about local employment for young people — student jobs particularly. I wrote and I said this, "From time to time, local parents of employable young people have complained to me that many summer jobs in Yukon's hospitality industry go to non-resident university students. Of course, I have no way of knowing whether the complaints are justified in the particular case, or if certain businesses have adopted a policy of hiring outsiders for some defensible reason. However, I have heard enough grumbles on this score to want to bring it to your attention. Should your association members agree that the facts are as some of my constituents claim, perhaps they might have some useful suggestions to make, either to the government in respect to training for such jobs, or to Yukon parents for ways to ensure that their offspring might receive more favourable consideration from these seasonal positions".

Now, I understand that Mr. Redfern brought my letter up at a meeting of the Visitors Association and he replied in some detail and I am going to read part of his reply into the record and use it as a frame for a question for the minister.

"Dear Tony: Further to our discussions regarding your query pertaining to the practice of hiring non-resident students, I have examined this complaint in some detail and wish to report my findings at this time.

"Initially, I would like to comment on the experience of our own office when hiring students becomes applicable. As a non-profit organization, we hire students through the Student Manpower Office, utilizing either the federal or territorial hiring program. I might add that the territorial employment program is more advantageous than the federal program with the paperwork and red tape in fulfilling the criteria. The federal program virtually takes a full-time supervisor to deal with reports required.

"Last year we hired four students, three Yukoners and one non-resident. We tried to hire all resident students but found that, due to the fact we can only afford the minimum wage, Yukon students are most reluctant to take the jobs. Midway through the season we replaced one Yukon resident and could not find a replacement without going outside. In checking with several other companies, they tend to agree that Yukon students are more inclined to wait for better paying positions. One of our employees this year was a third-year law student from outside who was pleased to have any job.

²⁷ "Despite this, I have found that many Yukon students have worked in the travel industry and have returned to the same companies in succeeding years. We have been fortunate in having an FH Collins student with us for three years now. This student has received enough in-house training to actually handle office duties with little or no supervision. The same could be said for many other companies from what I have been able to ascertain. As an example, Atlas Tours have promoted two FH Collins students from baggage boys to drivers over the past year. Each student is also employed through the year as convention business warrants the extra staff.

"I can appreciate that you may have some complaints on this subject, because there is no doubt that it does occur. In many instances, however, the employer is so hard pressed for staff immediately, that they will hire the first warm body that walks in the door.

"It is interesting to note that perhaps our largest tourism employer, Westours, does hire several students from outside in order to do their training program prior to the opening of the Alas/Kon Border Lodge. This year, however, the Yukon Visitors Association has placed the Westours advisor on the Board of Directors, and I have noticed a considerable difference in the attitude of Westours. They are becoming a more conscientious corporate citizen and I think you will find a more liberal — pardon that word — approach to hiring.

"As mentioned, Tony, I understand the Yukon Territorial Government is instigating a training program at the college for potential employers in the travel industry. We welcome this if, in

fact, it does take place. Hopefully it will help Yukon students in obtaining jobs in the industry."

I read all that as a preamble to the minister to a couple of general questions I would like to ask him about it.

I understand that the hospitality industry, because of the nature of the business and the short season, in many cases does pay lower wages than are available, in some years, obviously, from construction or from mining and perhaps even wages that are available in exploration camps. I understand that students who are resident here would want to earn as much money as they possibly can so they might not choose the tourism industry as their first choice of employment.

I wonder if the minister has had any similar discussions, either with parents or with the industry, about the problem of attracting Yukon youngsters into the industry; whether the industry, either in terms of attitudes or dispositions to that kind of work, feels there is a problem in Yukon community; whether there is any appropriate role for Yukon College, on a very short course basis, for training in some of the skills that are useful in that industry; or if he thinks the situation is generally satisfactory as to the mix of local and outside students, in terms of those scarce summer jobs?

Hon. Mr. Tracey: I appreciate the concerns of the member. I have been in the tourism business for a number of years now, and it is an ongoing problem. Certainly the government has attempted to have programs related to the tourism industry. Some of them have been available at the vocational school in order to teach people the trades that are necessary in this industry. I think the problem in Canada — and it is in Canada as a whole not just in Yukon Territory — is an attitudinal one. Most people have the idea that jobs in the service industry are menial jobs and somehow downgrading. For example, being a waitress makes one a second class citizen, rather than it being an occupation. It is prevalent across Canada as a whole, and it is very hard to get people to work in the travel industry, or in the service industry, and treat the tourists in the manner in which they should be treated.

✎ I think every one of us has been across the border to the United States. You will find that, as soon as you go across the border, there seems to be a different attitude towards the tourist than you are accustomed to in Canada. It is unfortunate that that attitude is there amongst the Canadian people, but it is there and it is going to require massive educational programs in order to change that attitude. It certainly is not something that the territorial government is going to do here because, unfortunately, most of the people who come into the territory here, come to the Yukon Territory because it is a sense of adventure. They are looking for a job here, and most of them will take a job and stay with it. Whereas, as the member across the floor stated, Yukoners would try to get the highest paid job that they can get and I do not blame them for that. It makes it awfully hard on the industry when you hire staff and, a week or two later or a month later, they go to a different job.

It is also unfortunate that the tourist industry, the travel industry, cannot afford to pay the wages that these people can get in another section of industry. I agree with a lot of the statements that are made. I do not know what the answer is. The answer is, I guess, a massive educational program done in Canada as a whole, rather than in the Yukon Territory on a sectoral basis.

Mr. McDonald: I have some questions on research funding for mineral resource development. I would ask you, Mr. Chairman, to sort of indicate to me when we can get back to agricultural development, because I still have some questions.

Mr. Chairman: Could you give us five minutes more?

Mr. McDonald: It depends upon what the minister has to say. I would like to make a couple of final points on agriculture. They may not be final, they may be semi-final, depending on what the minister has to say.

First of all, I will be happy to meet the threat of having my seat in the House challenged at any time. The minister may find that I will be elected back into the House in short order to meet him again on the same sort of issues.

Near the bottom of the page of the news release dated, October 15, titled "Business Tour to Alaska Smashing Success", says "Tracey added that since Yukon does not have a very great

agricultural base, possibly Alaskans could look at marketing food in the territory." That could mean a variety of things. What it has meant to the agricultural industry in Yukon, what it has meant to the Alaskan people who I have spoken with at the Northern Resources conference, are essentially the same things. It meant that there has been an indication from the minister that the Yukon consumer market for agricultural products is something that the minister has essentially invited the Alaskans to enjoy. The fact is, Yukon farmers would like to compete in the market.

✎ They know that they will have to compete with the likes of Kelly Douglas and other food retailers in the Yukon. They may have to compete with Alaskan farmers in the future. It does not mean the we, if we were to support the farming industry in the territory, would automatically be dumping on Kelly Douglas or the Alaskan farmer. We are suggesting, though, that should we desire or should we have the political will to support the farming industry in Yukon, then we should ensure that they compete from equivalent resources. If the Alaskan farmers have a handout from the state government, then we should consider giving Yukon farmers a similar handout. It is as simple as that.

I would like to ask the minister some questions on the mineral resource development funding. I understand that the economic development funding for mineral resource development is in the neighbourhood of \$3.9 million. Can the minister tell us what portion of the \$1.58 million includes some funding for mineral resource development?

Hon. Mr. Tracey: He went on at some length about agriculture and I notice that, after he read the statement that I made, he toned his previous remarks down a little bit and I am happy to see that at least he has done that.

As far as the mineral resource development, in the \$1.5 million I cannot give you an absolute breakdown of what we will have expended this year in that regard. I do not have the breakdown of the \$1.5 million between the programs. All I can tell you is that, as far as the mineral resource development goes in the economic development program, all of those programs will be delivered by DIAND and with 90 percent of the money coming from DIAND. I do not have the breakdown of what percentage of the \$1.5 million will be going to mineral resource development out of this budget. I can bring that information back to him. I do not have that with me.

Mr. McDonald: I would appreciate if the minister could provide that information. The reason why I asked for that information is that I am trying to acquire an understanding of the transfer of responsibilities between the federal government and the territorial government. I am trying to acquire an understanding of the reasons for the funding which is, essentially, I believe, to be administered by federal authorities in the mineral resource development area but which is passed through our Capital Estimates. Can the minister give me reasons why that happens to be the case?

Hon. Mr. Tracey: I think that it should be fairly obvious why it is the case. We have an economic development agreement and part of that agreement, which I think everyone recognizes, is the necessity of developing our mineral resources in the territory.

✎ However, unfortunately, we do not have the minerals in the territory as it is federal government jurisdiction. So, although we are involved in the program, and very much involved in the program, the lead role is taken by the DIAND in that regard. As I stated, we are very much involved. We have all the information that has developed out of that program but, because it is their jurisdiction, they are maintaining the lead role.

Now, as I told the members, I am going to Ottawa and am hoping to meet with Sinclair Stevens and this, along with tourism, is one of the things I want to talk about. I want to talk about why we should have an economic development agreement that is being delivered by the federal government. We believe that we should be involved and that we should be taking the lead role because it is our economic development agreement and the federal government, although it does have jurisdiction, should be participating with us rather than us participating with them. That is one of the things that I am going to be raising with the minister. That does not change the fact that, under the past government, it was negotiated in this manner, and this was the only manner that we could get any kind of an

agreement at all on it. So, although we do have to proceed with this economic development agreement as it is now constituted, we still gather all the information. That does not mean that we are happy with the method that is being used and we hope to change it.

Mr. McDonald: Of course, the method of delivery, if we were to assume it as a territorial government, would mean that we would have to assume a great increase in the cost of providing services generally. If we were to provide, for example, the services that were meant to be provided in the renewable resource development funding, through the Economic Development Agreement, we may have to assume responsibilities for mining resources altogether, which would mean a department. Now I understand the mining task force, now the Mining Advisory Committee, has been looking at this proposal for some time. Could the minister elaborate on his comments in Question Period today when asked about the delivery of responsibilities for mine and resource developments from the federal government to the territorial government. Has he received any clear indications from the responsible minister that the responsibilities for mineral resources will be transferred to Yukon?

Hon. Mr. Tracey: I would like a ruling. I thought we were dealing with the capital budget here. I am beginning to wonder just what we are dealing with here. You know, the transfer of mineral resources to this territory is certainly not a question for the capital budget.

Mr. McDonald: Mr. Chairman, I will save you the necessity of having to rule on that. I will bring that issue up later on. The minister may be quite right about that and I am not about to second-guess what you are about to say or what you would say. However, the minister may be quite right in suggesting that this is not a subject for the capital budget. I would like to ask some questions about the Mining Task Force, which I believe would be assisted through funding that is located on page 11.

³¹ The mining task force apparently sponsored two studies for the placer mining industry, in the neighbourhood of \$100,000 this past year. Are we looking at any further studies to assist the placer mining industry in the capital budget year 1985-86?

Hon. Mr. Tracey: That, as well, is not a part of the capital budget. That is O&M of the Department of Economic Development. It has nothing to do with the capital budget. I am quite willing to answer those type of questions in some other forum, but I thought we were dealing with the capital budget here, and that is not a capital budget item either.

Mr. Chairman: Order. I would like to point out to you, Mr. Tracey, that Yukon alternatives, provided by your investigation of energy alternatives for the Yukon, is on your information page.

Hon. Mr. Tracey: I understand very well that that is on the information page. That is energy alternatives, which has nothing to do with the mineral advisory committee.

Mr. Chairman: It is an example of where the confusion comes in. Not only is the other speaker confused, I am getting quite confused at just what should be in there.

Mr. McDonald: I can understand the confusion here. I am asking about studies that may be sponsored by the mineral advisory task force, or the mineral advisory committee, or mining task force — whatever it is called. I am not entirely sure when funding for these studies are going to come from the O&M budget or they are going to come from the capital budget. I wish the minister could show a little patience in assisting me when I come to ask questions such as that. If what the minister is saying is that further studies to support mineral policy development in Yukon are going to come from O&M funding then, that is fine, we can leave it for then. But, I wish the minister would show a little patience. I am not part of the committee that decides where funding is going to come from. I am asking these questions in good faith, and I hope the minister will show some patience.

Hon. Mr. Tracey: I did show patience. I have answered a great many questions that are not part of the Economic Development capital budget. I have answered a great many questions already in that regard. Quite a number of them on agriculture alone. What I did stand up and say was that the mineral advisory committee, which is set up to recommend to the minister, is not a part of the capital budget. It is an O&M item. It is funded under O&M, not

under the capital budget.

Mr. McDonald: A press release stated that there will be placer studies in the neighbourhood of \$100,000 this past spring. They would be sponsored by the mining task force — as it was called then. Was that \$100,000 from the O&M budget or the capital budget?

Hon. Mr. Tracey: The O&M budget.

³² **Mr. Byblow:** I want some clarification, which I thought I had it yesterday, with respect to the mineral resources component under the GDA. How much money is going to be administered by the federal government in whatever planning and research takes place there?

Hon. Mr. Tracey: Under the GDA, the economic development agreement, that will be administered by the DIAND, there will be \$3.86 million. That is exactly what I was talking about earlier. That has nothing to do with the mineral advisory committee that makes recommendations to the minister.

Mr. Byblow: There is a mineral resources subsidiary agreement. How much money is planned to be spent under that subagreement?

Hon. Mr. Tracey: I thought I just gave the number, \$3.86 million.

Mr. Byblow: It is going to be administered totally by the federal government. What input is this government going to have to that sectorial planning component?

Hon. Mr. Tracey: We are involved in it because it is our agreement. I already spoke about that agreement and my intention to try and have it changed, if possible, so that the Government of Yukon takes the lead role, rather than the federal government. We are involved and we receive all the information and we participate in it. We do not take the lead role. That is part of the argument of the economic agreement that was signed for the benefit of the Yukon Territory. The Government of Yukon should be administering the agreement.

Mr. Byblow: I respect what the minister is saying, that the federal government is planning to administer that subagreement and it is desirable that the Yukon government would like to have much more of the say in what is done. The mining task force has to be a related factor in what this government has in mind when it says that it wants to have a greater say in planning the mineral resource sector. What part is the mining task force going to play in this government's attempt to undertake the administration that is currently federal?

Hon. Mr. Tracey: The mining task force is set up to make recommendations to the minister with regard to mining in the territory, whether it be placer mining or hard rock mining. It makes recommendations of areas that the government and the minister should be investigating. It is all under O&M. It has nothing to do with the mineral resources agreement.

Certainly, it may be considering some of the things that the mineral resources agreement is dealing with, but it has nothing to do with the capital budget. It is funded under O&M. It is an O&M expense of the Department of Economic Development and Tourism. I recognize that quite often we are going to be dealing with the same thing, but it is not capital budget item, and we are supposed to be discussing the capital budget here.

Mr. Byblow: What is going to take place under the mineral resources subsidiary? How is the \$3.86 million that he cites going to be spent?

³³ **Hon. Mr. Tracey:** There is going to be a geological mapping, geochemical surveys and parks and mining studies and whatnot. Most of it is geochemical surveys and geological mapping.

Mr. Penikett: I have just a couple more general debate-type questions on tourism. I will be perfectly frank, I have looked over the specifics and I am not quite sure that I can nail them down precisely. They do not fit neatly into one of those categories. Two things that I want to ask about and I will do them separately because that will be easier.

The first one concerns the twelve Japanese wholesalers who came to the Yukon this summer on a familiarization tour. I would be curious as to the role played by the Government of Yukon in their visit. I am mindful again of a discussion a few years ago, in this

House, when the minister was once before the Minister of Tourism. At that point he expressed concern that tapping the Japanese was something we should do with caution as we might not be able to handle the influx of Japanese tourists because they might be somewhat numerous. While I did not, at the time, pursue the logic of that position I think it is an occasion now. I am interested in what this government is spending to develop that market and how it is impacted in terms of the kind of spending the government has in its budget? Particularly, because as I remember a remark about the Japanese tourists having rigorous standards. I seem to remember that remark. I believe that to be true. I am curious as to what the experience of the Japanese visitors was this summer and how they believe Yukon's facilities stack up? Did they meet the rigorous standard of the Japanese and is any spending in this budget reflective of a need to improve those standards in any way?

Finally, a less important question but one that is some concern. One understands that they had some aircraft problems when they were here. Does the minister know anything about whether that deterred them or not?

Hon. Mr. Tracey: The Japanese people who were here, I think, went away very satisfied with the territory and with what they saw here. I believe that this is an area that has great tourism potential, but the statement that the member made in the beginning of his remarks about my concern about the Japanese tourist business is just as true today as it was when I made that statement a few years ago. When you get a great influx of Japanese, and there are many millions of them over there, as soon as they recognize a tourism area that their people like to go to, the next thing that comes along behind is the big money and takes over all the businesses and takes a very large part of control of the industry. ^u Being a very small community here, we are not with a great deal of money. I think that everyone can recognize that our tourism industry could rapidly become controlled by foreign companies in very short order. That is the reason why I raised that concern a few years ago and it is just as relevant today as it was then.

With that said, though, I think that we recognize that the Japanese tourism market has great potential for us and we are taking the first tentative steps in developing that market. We are hopeful that we can maintain control of our industry while we are developing that market and, hopefully, that will turn out to be true.

I think the Japanese people were fairly satisfied with what they saw here. I did not have personal contact with them although some of my caucus members did. Perhaps, at some other time, for example, you can speak to the member from Klondike as he had some personal conversations with them. I was not in personal contact with them but the report I got from the department was positive.

Mr. Penikett: Could I just pursue the one point. I wonder if the minister could elaborate a little bit on his concern about the Japanese impact on the industry here. I take it, from statements made elsewhere on other occasions, that his party of the government has no philosophical objection to foreign investment, given that a large part of our tourism industry now is, in fact, still controlled outside the territory. The two largest hotels in this town are not owned by Canadians and many of the large operators, whether it is Westours or the cruise ships, are owned by outside the territory. For much of its history, of course, White Pass was owned by foreigners, which played a major role here and, of course, to state the obvious, CPAir is not locally owned even though it is Canadian-owned, I think.

Could the minister elaborate just a little bit more on his concern. Is it that, somehow, the character of this community might be fundamentally changed if the major hotels were owned by the Japanese, or that we might have different industry standards, or that something might happen to our labour markets, or that it would detract in some way from the appeal of the facilities here to non-Japanese tourists. What is the concern?

Hon. Mr. Tracey: The concern that I would have is that there would be a fundamental change in our tourism industry in the Yukon Territory. Although we are proceeding, we should remain very cautious of exactly what the possible ramifications could be if the Japanese tourist market and Japanese entrepreneurs, which

could blossom suddenly in the territory, were to come behind it, radical changes might happen to tourism in this territory. We have to, as a government, be representative of all the people in the territory. I think we should also recognize that, when you have a great number of tourists and a total change in what those tourists may want to see in this territory, we could have a radical change in our society here. Perhaps all the people in Yukon would not be too happy with that radical change so we have to take all of that into account when we are over there trying to promote the tourism industry in Japan.

³⁵ **Mr. Penikett:** The minister has clearly more experience than I at being in places where the Japanese have gained ascendancy in local tourist markets, or where they are a large percentage of the travellers. The minister talks about the ways in which you would change the tourist industry, change the attractions. Could he elaborate a little bit more on that? Is it that the Japanese would want to see different things here than people who come here now? Most of our tourists now, of course, are from the United States. Perhaps their tastes are not that different from Canadians but they are, nonetheless, foreigners. Could the minister just elaborate a little bit from his experience in dealing with the Japanese?

Hon. Mr. Tracey: I think that everyone recognizes that the Japanese are a great people for travelling in large groups and bus tours. They do not necessarily want to see everything that other people come here to see. They many not, of necessity, want to visit parts of our wilderness, for example. Yet we may have them travelling our streets in our small communities, for example, and affecting the lives of the balance of the Yukon population in a way that they may not wish to have. That is the reason why I say that we have to be cautious in what we are doing. We have to recognize the fact that perhaps all of the Yukoners would not like to see a foreign country end up with virtual control of the tourist industry in the territory, which can happen very fast. They are not that sophisticated a client here in the territory, and it would not take more than two or three years — or five years at the maximum — for Japanese entrepreneurs to virtually take over the tourism industry in the territory here, if they decide to spend their money here.

Mr. Penikett: I take it from what the minister is saying that, in terms of the impact to the local communities, he is concerned about traffic control; there might be large numbers of people, Japanese, Oriental people, passing through who might disrupt things. Since the minister is concerned about the foreign control of the industry, and I admit that that could be a problem, what is he doing at the moment? In what ways, in this budget, is the government moving towards increasing local control and decreasing foreign control of the tourist industry as a balance? For example, is it that we are refusing to give grants to businesses that are owned and operated by foreigners? Has it any such policy like that?

Hon. Mr. Tracey: Speaking as the minister responsible for Economic Development and Tourism, I would have a very hard time giving taxpayer dollars out to proposals from a non-Canadian. But, that aside, the existing level of foreign control in the territory is very small, very minimal. Some of the larger operations are foreign-controlled. I think it is a level that we can live with. It could very rapidly turn into a much more total control than that within a year or two. There is a possibility it could happen.

³⁶ **Mr. Penikett:** I was struck by the minister's last remark because I noticed a list of grants recently in a press release that came across my desk, one of which was given to a hotel which I believe to be substantially foreign-owned. It may be a Canadian registered company, but I can only assume, from the minister's remark, that it was granted by a predecessor.

Perhaps I will leave it to others to pursue the potential impact of large numbers of Japanese tourists on the market, and the character of the Yukon community and its culture and so forth.

This summer the government spent some money providing every household in Yukon with a vacation guide. I assume that was a very significant expenditure. Could the government indicate something about the scale of the expenditure, without being specific, and indicate to us whether there has been any feedback or any assessment from the industry here as to the benefits and usefulness of that, and whether that has either stimulated new businesses, or

contributed to the success of any businesses, which the government has funded or given grants to?

Hon. Mr. Tracey: I cannot give the figure of what it cost to produce the vacation guide. Most of that work was done before I became the minister and I cannot keep all of those figures in my mind, although I can provide it to the member. As far as the outcome as a result of that vacation guide, I think the Department of Tourism has been very optimistic. It has been good. I think a lot of the local people in the territory utilized some of the programs that were in that guide, and certainly it was something that gave them information to pass on to their friends or relatives outside of the territory. I think that, in the long run, it is going to be very beneficial to us.

I do not know the cost of the program, although I could bring that back to the member.

Mr. McDonald: I would like to ask a question with regard to the direction of funding for off-tourist-corridor projects in the territory. The minister and the rest of the House know that the member for Faro and I have both been promoting a measure of funding for projects, which are not on the Skagway-Dawson corridor, in order to widen the corridor. Has the minister given that kind of consideration to the expenditure of funds?

Hon. Mr. Tracey: Yes, although I must preface that by saying that the corridor from Skagway to Dawson City, other than the Watson Lake area, is probably going to be the biggest attraction, regardless of government involvement. With that aside though, we have switched the emphasis away from tourism grants, which were funnelled towards this corridor, to the loan assistance program which is funded to all businesses in the territories, regardless of whether they are tourist businesses or any other type of business.

As I have stated earlier, I think that this grant program was discriminatory and unfair, and in many cases, unfair competition to some of the existing businesses. I recognize that we want to develop the tourism industry here, but I think that there are better and fairer ways to do it. One of them is low-interest loans rather than grants. Some of the money will certainly be available to anyone, regardless of whether they are in the Mayo constituency or whether they are in the Ross River area. As long as they have a program or a project that is viable, we will certainly be interested in helping them fund it.

Mr. McDonald: That, from my perspective is encouraging. We, from the Mayo district, have certainly found it difficult to fund projects whose funding guidelines stipulated that the project had to be traditionally considered to be a tourist destination point.

I have a question about the kinds of tourism funding that the minister mentioned — the Tourism Small Business Incentives Program and Loan Assistance Program. Will the guidelines for funding be similar to that which exists today? Can the operators who are planning to make applications for this funding for next summer anticipate guidelines that exist today, so that they have the assurance that what is happening now will be happening in the future?

Hon. Mr. Tracey: The guidelines are already in place under the Loan Assistance program. They were made public last September. They are available now, and anyone who has a viable project can apply through the business development officer in the Department of Economic Development and Tourism. Most of the money from the tourism incentives program will be funnelled towards non-profit organizations. As I stated earlier, it is not very likely that that money will be given out in grants to businesses, unless it is for a feasibility study of some type that the government feels would be beneficial to the industry as a whole. Most of the money that is now available, and that will be coming available, will be coming under loan programs and not grant programs.

Mr. McDonald: Does the minister regard there being any usefulness to a grant program where funding would be directed toward businesses where there is no foreseeable competition? I will cite a situation, for example, in Mayo, where there is no immediate competition in terms of a traditional type of cafeteria, or something like that. Does he see any usefulness of grants in that instance?

Hon. Mr. Tracey: No. I think that a business, as I stated earlier, should be able to stand on its own. If it requires a grant to

be set up, then it is questionable as to whether it is going to be able to stand on its own in the first place. In fact, I think there is ample evidence around the territory of grants to businesses of that nature that have failed, some of them in Mayo. However, the project that the member is talking about certainly would most likely qualify under our loan assistance program for a loan at 50 percent of FBDB's rate.

Mr. McDonald: I would like to ask a couple of constituency questions, of a general nature, which I think would qualify as being legitimate questions in the capital estimates.

One is the proposal by the Silver Trail Tourism Association to have a number of initiatives taken by the government: one being point-of-interest signs; one being a name change for Keno Hill to Keno City; and one being the highway name change. Has the government made any determination on any one, or all, of those three initiatives?

Hon. Mr. Tracey: As you can see, there is \$60,000 in the budget for point-of-interest signs. It is a program that we are continuing. It was done in the past. As far as the change of name of Keno City, that is something that would have to be considered by municipal and community affairs, certainly not the Department of Economic Development and Tourism. I think the highway name change would be under municipal and transportation services. Quite frankly, I do not know if there would be much opposition from the government side to changing the name of the highway. I think that if there is any opposition, it would probably come from the residents of the communities involved.

Mr. Byblow: There was considerable concern in previous debates, for budgeting purposes, about the restructuring of the department which may exclude some of the industry participation in planning of tourism development. Can the minister report to the House the current status of industry input to the budgeting process?

Hon. Mr. Tracey: There never was industry input into budgeting process. The industry participation was in the area of marketing, and certainly in making recommendations to government as a lobby group; that is continuing. It is my hope that I will be able to strengthen the Yukon Visitors Association, if possible. It is certainly my intention to maintain ongoing discussions with them. I hope that I can even help to make their organization even more viable than it is today.

Mr. Byblow: Aside from the marketing board that exists, and the YVA, what public consultation process does the department use to review tourism thrusts of expenditure?

Hon. Mr. Tracey: Well, certainly we get feedback whenever we have a program in tourism or any other sector of government. We do get public feedback on it. In this case, we have comments not only from the YVA or any marketing board, we get comments from museum associations and other organizations such as the Downtown Businessmen's Association, the Chambers of Commerce. We get a great deal of feedback and recommendations. These are all considered by the department and myself and, in a lot of instances, they are acted upon.

Mr. Byblow: I would like to discuss a slightly different subject. Given the massive Tracey Park — rather, I mean Tatchun Park in the Carmacks area — and given the minister's knowledge of the various lobbies that have taken place of the years for an upgrading of facilities in the Campbell corridor, can the minister advise if any steps are being taken to develop any of the facilities on that corridor with respect to historic sites, signs, advertising in Watson Lake, et cetera?

Hon. Mr. Tracey: By inference, he is stating that we have not done any. Yesterday, I mentioned the Simpson Lake campground and the Frances Lake campground, or the Hoole Canyon campground, and even the Fisheye Lake campground just out of Faro. We have done a great deal on that corridor, but we also have to consider the number of tourists who are using that corridor. It is hard to justify massive expenditures of money on a corridor that does not have the volume of tourists on it that would be required for such expenditures.

We have been trying to develop that corridor. There are also other considerations regarding the amount of services and the number of tourists along that corridor. I can speak from personal experience

here. They do not take that corridor because they do not feel that there are enough services. Although there may be ample for what we consider is necessary for the road, a lot of those tourists are a little leery about going a 100 or 150 miles without services. I would certainly like to see some small services develop along that corridor, if possible. I would certainly do as much as possible to help them get started in that area. It takes numbers. It is the same old story of supply and demand and, if demand is there, someone will supply the services required.

Mr. Byblow: You will be pleased to know that the numbers are increasing, and increasing quite significantly, from a review of tourists passing through that area. The minister makes reference to lack of services on that corridor. He is quite correct in that the only services available are primarily campgrounds scattered along the way. I suppose I will have to provide the new minister with the various reports that have been assembled by tourism interests in the Faro and Ross River area. They cite quite a number of options available toward encouragement of a tourism prospect for that corridor, in addition to stepping up sign programs, improvement of a couple of the campgrounds. They include also addressing the historic sites that are located along the way, both from a preservation point of view and from an accessibility point of view. Certainly, I am sure the minister will accept that that corridor represents a White history that preceded the Klondike era.

¹⁰ None of that history is either tapped or recorded. I would just make this cursory observation about that corridor at this time, and leave some information with the minister that details, more specifically, what that corridor, can use for upgrading purposes. It stands to reason that the corridor is a useful triangular route of people entering and leaving Yukon. It passes through the proposed Tatchun parkway. It has destination points and it ought to be given much more consideration than it has in the past.

Is either his renewable resource department or economic development and tourism department of his government addressing the question of historic sites along that route at Pelly Banks, Finlayson Lake, and so on, relating to the Campbell origin of that route?

Hon. Mr. Tracey: I believe that the historic resources portion of tourism has a great deal of information regarding the Robert Campbell Highway, especially in the Finlayson and Frances Lake areas and at Pelly Banks. I agree that more money needs to be expended in that area.

I go back to what I said earlier. There has been a great deal of money expended in that area. You do not build a campground such as Simpson Lake or the campground at Frances Lake — which were built in the last few years — with no money. They take money. I think, when you look at the number of tourists who travel that area, and you look at the per capita volume of money that the government has put in for those tourists, you will probably find that there have been more dollars per tourist spent on that corridor than there have been on any other corridor.

It is all right to say that more money needs to be spent and I agree, but we have to be realistic and pragmatic and recognize that most of the dollars are going to be spent where most of the people go. Right now, as I stated yesterday, the Klondike Highway from Whitehorse to Dawson City, up until the last couple of years, received very little dollars for tourism campgrounds and site development. That is happening now. I certainly hope that, in the future we will, have more money available to concentrate more on the Campbell Highway.

¹¹ *On Loan Assistance Program*

Mr. Byblow: My question on this item is to enquire of the minister what the subscription was like to the initial \$500,000. Given that it is doubled, there must have been some substantial justification. Could the minister elaborate?

Hon. Mr. Tracey: I believe that, unfortunately, there was a release of the information about the program before it was even firmly in place. We had a great deal of enquiries and applications and, at the present time, although I cannot give an absolute answer, I think that we have more than enough applications to cover the \$500,000 — perhaps even a couple of times over, in fact. It has been well received, and I think that I would like to, in the future, see even a larger amount of money dedicated to it. Perhaps we can

get it to the stage where we have a revolving fund in place, so that we can have an ongoing program. We will have to assess it in the next year or so to see how it is working out. Right now it looks very favourable.

Mr. Byblow: Can the minister indicate what aspects of the program were most heavily subscribed to? What area did it seem to concentrate from in the request for that source of funding?

Hon. Mr. Tracey: I do not have a list of what businesses applied but, just by the general business allocation in the territory, I would say that, by far, the most of them would be in service-related industries. We do have some of the other industries and, certainly, as I stated to the member for Mayo, regardless of what industry it is, they can look to us for this type of money, although it is somewhat restrictive in only being a maximum of \$100,000. That goes a long way towards helping. It does not matter whether it is a mine or what it is. As long as it qualifies under the requirements, I am quite prepared to look at any one of them.

Mr. Byblow: The minister indicated that the service sector seemed to subscribe most for this type of funding. In relation to the Tourism Small Business Incentives money that was also made available, were applications that were made for the funding interchangeable between the two programs?

Hon. Mr. Tracey: Yes, we are trying to phase out the tourism small business thing, and make it just for small business, because tourism small business and small business in the territory is synonymous. There is very little that goes on in this territory that you cannot relate to the tourism industry. As I stated, maybe you can cite a small mine, or something along that line. Perhaps agriculture would not be in the category of a tourist business, but 95 percent of the businesses in the territory would fit under that heading anyway. We are dispensing with the tourism small business, and we are also dispensing with the fact that the money is handled in the Department of Tourism. It is all put into the business development side of Economic Development, and all of it will be channelled through the one part of the department, which will also avoid duplication in the future.

¹² *Loan Assistance Program in the amount of \$1,000,000 agreed to On Special ARDA*

Mr. Byblow: There has been considerable speculation that this is a program that will be phased out. I am deducing this from previous discussions on the program in the House. There were some aspects of the program that members opposite felt were undesirable, one of which was that it had a large federal decision-making component to it, yet it had to be administered from the territory. What is the future prospect of this program?

Hon. Mr. Tracey: I do not know what the future prospect of this program is. I guess that decision will have to be made by the federal government. We have agreed to a three-year extension of the agreement, somewhat reluctantly, because of the problems we have experienced in the past regarding Special ARDA, but we have agreed to a three-year extension of that agreement. It is now up to the federal government as to whether they want to continue it, or if they want to do something else about Special ARDA. We are involved in the agreement, as of this time, probably until 1988.

Mr. Byblow: In the budgeting of this program, I assume that there are extensive consultations with the federal government in determining the actual amount, and that it is done on the basis of applications received and anticipations for projects that will go ahead.

The minister said that they now have signed a three-year extension of this program, and I note that there is some \$150,000 less. Is that indicative of a phasing-out, or is that amount based on some projection deemed necessary out of the applications made?

Hon. Mr. Tracey: The revised estimates that you see there are not necessarily the estimates that were put in. I think everyone recognizes that we only pay a percentage of Special ARDA and, in a great many instances, we do not pay anything. It depends on the level of native participation in the project. So, in some cases, we may fund 50 per cent; in some cases we may fund 75 per cent and, in a great many cases, we fund no part of the program. This is just an estimate of what we will be required to pay out of the Special ARDA program. There will be a great many more dollars than that

spent on the program — this is just our share.

Mr. Byblow: I am a bit confused on that because, under recoveries, this government appears to be collecting back \$237,000 — approximately half of the amount budgeted in the line items. That indicates to me that it is a 50-50 cost-sharing, on average. The minister said, though, that the \$475,000 was their portion. I am a little confused.

Hon. Mr. Tracey: Perhaps, I was mistaken there; I would have to check that out. Our average expenditure, to date, has been about 15 percent of the total projects. The Government of Yukon has been responsible for about 15 percent of the capital. I am a little confused, myself, as to whether the \$475,000 is the total or whether it is our portion. I have a briefing note in front of me that says that we have, so far, expended about 15 percent of the total. Perhaps, we are feeling that we will be expending a bigger share in this coming year.

Special ARDA in the amount of \$475,000 agreed to

On Economic Development Agreement

Mr. Byblow: We have debated this one at some length in general debate. The \$1.5 million constitutes one year's portion of the total monies to be spent under that agreement. Is it a 10-year agreement, or is it renewed year-by-year?

Hon. Mr. Tracey: It is a five year agreement. This is the expenditure that is projected for this year. Next year it could be half again that much.

Economic Development Agreement in the amount of \$1,580,000 agreed to

On Yukon Energy Alternatives

Mr. Byblow: Could the minister provide some idea of where last year's money was spent under this line item? I ask that with extreme curiosity, because I would like to know what steps we are taking in alternate energy sources.

Hon. Mr. Tracey: I do not have a list of what they were expended on last year. Perhaps, I could give that information to the member. It is very short notice and I do not have the list right now. I certainly will provide it to you.

Mr. Byblow: I can accept that. With respect to the money that we plan to spend next year, are there projects already decided or is that still under application, as it were?

Hon. Mr. Tracey: It is still under application. There is a maximum of \$75,000 for any one project, and anyone can apply. Yukon Electrical or anyone can apply for an energy alternatives program. I think there has been a significant amount of interest shown by some organizations in this regard. I am hopeful that we will be able to utilize all of this money on programs. Some are being looked at for wood, for example, and there are other that are interested in small hydro. I hope that we will be able to fund some of those studies.

Mr. Byblow: Does the project, or experiment, under this program have to be a commercially viable proposal — commercial in the sense that it is a project with the intention of power or energy being sold?

Hon. Mr. Tracey: It is not set up to just fund someone to provide themselves with power. It is set up to provide an alternative to energy consumption in the territory. Perhaps, as part of that, the company that is doing it is saving themselves some money. We certainly expect that it will be of benefit to other taxpayers in the territory as well.

Yukon Energy Alternatives in the amount of \$216,000 agreed to
On Energy Conservation Loan Program

Energy Conservation Loan Program in the amount of \$320,000 agreed to

On Hydro Development Program

Mr. Byblow: I used to have so many questions on this line item but, like the government, I am beginning to lose interest. I am sure the minister would want the record to show that this represents this government's continuing interest in Yukon Hydro. Does the minister have any current information to update us on this project?

Hon. Mr. Tracey: I think it will suffice to say that, because of the over-supply of energy in the territory right now, Cyprus Anvil being closed down and with the fourth wheel being established, the Yukon Hydro is way down in the list of priorities of not only the

government, but also of the company that is involved.

Hydro Development Program in the amount of \$1.00 agreed to
On Research and Development Support Material

Mr. Byblow: I cannot remember any discussion from last year on this line item but what does this line item actually intend to do?

Hon. Mr. Tracey: My understanding is that it pertains to getting a file of information available for us, so that we have it on file research and development. It is library information for us.

Research and Development Support Material in the amount of \$5,000 agreed to

On Northern Oil and Gas Action Program

Mr. Byblow: I realize that this is a federal program and fully recoverable, and the territory is involved in its administration. Can the minister fill in some gaps about NOGAP?

Hon. Mr. Tracey: It is fully recoverable. It is a gathering of socio-economic information in areas such as air transport options or oil and gas in the Beaufort area, labour studies. Herschel Island Territorial Park planning is in here; bear-human interaction; management plan birds of prey management — all of this is with regard to the oil and gas potential in northern Yukon. It also does an analysis of the community infrastructure — if there was a community built up there, or even down here — what the effects of development would be on the community.

⁴⁵ All of that information is funded under this agreement. Each one is a line item, and the total cost would be \$1,108,000 for 1985-86.

Mr. Porter: I have a couple of questions for the minister. Are the funds that show up in this line item being funded through the Canadian Oil and Gas Lands Administration department of the federal government?

Hon. Mr. Tracey: No. It is a contract between us and the Department of Indian Affairs and Northern Development.

Mr. Porter: The minister talks about the funds being provided to enable this government to address socio-economic concerns with respect to the oil and gas industry. He specifically mentioned the activity that is occurring in the Beaufort Sea. Does this agreement also provide funding for the government to take a look at the socio-economic responsibilities of government as it relates to the activity that is being contemplated for the Eagle Plains area of Yukon?

Hon. Mr. Tracey: Yes, in some respects, it does cover the Eagle Plains area as well, but not nearly so much as the North Slope and the Beaufort Sea area. It does cover all aspects of oil and gas development in the territory but, as I said, not nearly so much as the interest in the North Slope area.

Mr. Porter: The federal government has recently announced the curtailment of the Petroleum Incentive Program grants that have been offered to industry that are Canadian-owned, to a certain percentage, operating within the Beaufort Sea. The government has talked about some tax measures which it will introduce in the budget which we expect in the spring from the federal government to offset some of the responsibilities with regard to government incentive to the industry. Should there be a curtailment of funding, generally to the Beaufort, would that necessarily translate into curtailment of funding from the federal government to this government with respect to its socio-economic responsibilities?

Hon. Mr. Tracey: I think the member said first that there was a curtailment. There is not a curtailment, but there is a review being done of the PIP grants, and we are not aware of how it will ultimately affect the PIP grants. It may or may not be replaced, or be discontinued. This is an agreement that we have signed with the federal government, and if the federal government, in its wisdom, decides that it does not want to fund it anymore, I think there is going to have to be some negotiation with us in regards to replacing this program with something else. After all, it is a signed agreement that we have with them.

Mr. Porter: In the government leader's speech to the Legislature, he talked about the optimistic possibilities of the establishment of an oil and gas industry within Yukon. Then we see some direct funding under the Department of Economic Development to assist, largely in the socio-economic area, for purposes of analysis. Could I ask the minister, is this part of the government's economic

planning, to secure these funds in anticipation of the advent of some permanence in respect to the oil and gas industry in the economy?

Hon. Mr. Tracey: Yes, and largely it is because of the potential development on the North Slope of Yukon, and largely because of the fact that the only viable port in the Beaufort Sea is on the North Slope of Yukon, and how the effect of that oil and gas development will impact on the territory. In order for us to know what the impacts are, and to study what the effects are, the federal government has agreed to make money available to us. We are using it for that express purpose.

Mr. Porter: For years there has been immense speculation as to the potential for oil and gas development from the Beaufort area of Canada. So far, that simply has not materialized. There has not been proof enough of the reserves necessary to facilitate transportation of the energy to the southern markets. That has always been the question.

Recently we have had the announcement of the Gulf prospect, in terms of the Beaufort, and that has raised the level of expectation and renewed financial interest in terms of continuing to pour further dollars into the Beaufort and, I might add, also to improve the standing of the stocks of the companies involved on the stock market.

The debate has always been: what is the most feasible transportation method to extract the energy, should it be proven to be commercially economical. The various components have offered different alternatives. We have had the all-Canadian maple leaf line through the heart of the Mackenzie Valley, connecting to the delta. We have had the proposals with respect to the north Yukon and linking to a Dempster lateral, to come down the Dempster Highway, then through the Yukon and southward. Most recently, we have heard of the Arctic pilot project, which talks about the transportation of the energy via tankers.

What I would like to ask of this minister, with respect to the funds that we see here — socio-economic is very broad in terms of what can be done under that heading — is this government going to utilize a portion of those funds to make an independent assessment as to what this government would prefer as a routing through Canada to extract the possible oil and gas that lie within the Beaufort Sea?

Hon. Mr. Tracey: No, and I am realistic enough to believe, and I do believe, that ultimately there will be an oil pipeline — not necessarily gas but certainly an oil pipeline — down the Mackenzie Valley. I think that is almost a *fait accompli*. That point I know will be extended. There is enough oil presently known to support a small diameter pipeline up the Mackenzie Valley right now, from Norman Wells, to tap into the resources in the Mackenzie Delta area. So I do not think there is anyone foolish enough to think that there will not be a pipeline up the Mackenzie Valley. It is almost a certainty.

As far as the gas goes, that is a question that is still up in the air, regarding whether it is going to be the Alaska Highway gas pipeline, or whether it is going to be a gas pipeline down the Mackenzie Valley as well. I think that there are much bigger players in the game than the Government of Yukon, and they are dealing with something that is much larger than we are. Most of the gas that will be developed will not be coming from our area of the Beaufort Sea; it will be coming from the Northwest Territories' side. I guess the biggest question in regards to it is, how will the Alaskan gas be tied in, or whether it will be tied in.

Certainly I do not believe that we have enough money in here, in total, to study something like that, never mind a portion of it.

Mr. Porter: The minister stated that one of the specific areas the funding will be expended on is an area of the interaction between bear and humans, and birds of prey. I would like to ask the minister what exactly is going to be done on those questions. Is there going to be a biologist or other related environmental people hired on a contractual basis to do some studies with respect to the question of the relationship between bear and man in the development zone area of Beaufort? Is there going to be a study on the possible development impacts on birds of prey, such as the peregrine falcon? Can the minister give us some information as to how he perceives spending money in this area?

Hon. Mr. Tracey: With regard to the bear-human interaction

program, much of that is nothing more than an educational program, of how people should react when they are faced into conflict with a bear, and how we can avoid using methods of control. As I said, it is not much more than an educational program. We are studying other areas: a polar bear maternity den inventory, for example, so that we know where they are located so as to minimize the habitat and interference problems with the polar bear.

The other one you raised was regarding the birds of prey, I believe. We are doing the same thing there as with the polar bears. We are identifying nesting areas and trying to limit the interference in areas where there is development.

Mr. Porter: When one thinks of the Yukon's North Slope and thinks about the animals that use that area as their habitat, one always thinks clearly of the Porcupine caribou herd. I would like to ask the minister if any portion of these funds will be used to assist in the study of the Porcupine caribou herd, and an assessment made as to the potential impacts of development on that herd, or is that question going to be handled in another department such as renewable resources?

Hon. Mr. Tracey: There is some money under this. I should tell you that the socio-economic portion of this agreement is all done by renewable resources. There are other parts like the coordination of information and gathering information, that is done by various other departments in the government. The socio-economic mostly deals with the animals and birds of prey and the Herschel Island Park; that is all under Renewable Resources. In total, over the life of this agreement, for the Porcupine caribou herd management, there is \$106,000 and that is to fund the actual drafting of the management plan. The Department of Renewable Resources is also expending a great deal more money than that on the Porcupine caribou herd, as the member across the floor is well aware.

Mr. Porter: In terms of the oil and gas development and the socio-economic impact that it has had on the people in the area, I think that there has been a lot said in terms of the impacts on the local residents in the area Tuk. There have been an awful lot of studies conducted as to what kinds of impacts have been done on that community. When we talk about the northern portion of the Yukon, the community that will be most directly affected would be the community of Old Crow. To some extent, we are already seeing an involvement of people from that community in participation of the oil and gas industry. In the broad area of socio-economics, will the minister's department be paying specific attention to possible impacts on the community of Old Crow with respect to the advent of oil and gas development. As well, will his department be doing such things as going into the community and making an assessment of the skills level of members of the community and looking toward formulating positive suggestions as to how the people of Old Crow can be best involved in any economic development that may occur within the region with respect to the oil and gas industry?

Hon. Mr. Tracey: Before we go on any further, we talked a great deal about the wildlife research and I said that was what Renewable Resources does. There are other parts of the socio-economic that are done by other departments. Out of the area that the member is talking about, the largest portion is dedicated to that of development, which takes into account all of the issues raised by the member — what the effect does; whether the people are available, whether they have enough education, what kind of programs they will need. All of that data will be developed. Out of the \$4,000,000 NOGAP agreement, just about \$600,000 is for that one line item.

Mr. Porter: I understand that the minister is stating that, of the total amount, there will be \$600,000 directly utilized to make assessment as to the potential impacts and as to skills inventory and educational inventory of the people. Can we expect that, from the process, not only will we see an analysis of the current situation, but will we also see, as a result of the process, some specific programs that this government will recommend to the people in the area effected and to the people generally in Yukon, to be implemented to assist the people in the communities to mediate against the adverse impacts that may be resultant from oil and gas development?

Hon. Mr. Tracey: Yes. I already mentioned that there is a line

item in the agreement dealing with community infrastructure impact analysis of how the procedure of development will impact on the communities. The member should not get the wrong impression by my stating that there was almost \$600,000 for just that one line item, that of development. That is not all of the information gathered with regard to the communities. That is just one line item that deals with data needed to develop a socio-economic plan.

50 There are others, such as a community impact analysis, that are also involved in it.

Mr. Porter: With respect to the management of the funds, the minister stated that the way in which these funds are provided to this government is by way of contract. Contract implies to me that there are agreements that the two parties have arrived at. Does the contract specify the management role that both governments would play, in terms of expenditure of the fund? Can the minister give us an indication as to what the two governments' responsibilities will be for the design of programs and for the management of information that will flow from the implementation and expenditure of these dollars?

Hon. Mr. Tracey: The agreement is no different from any other agreement. It is different in one respect from the economic development agreement. What we have agreed on is to do certain things, which are these studies and it is managed by the Government of Yukon, not by both governments. This agreement is under the Department of Economic Development and Tourism who manages the whole agreement. Most of the studies are done by other departments in the government. It is all funneled back through the Department of Economic Development and Tourism. That is the total of our agreement although all of the information is, of necessity, provided to the federal government because they need the information. There is no sense in gathering the information without it being used. In this case, we are the people who are gathering the information that is required here.

Mr. Porter: For years we have been sitting and listening to the government discuss the possibilities of an economic development agreement. We have received the public announcement of the conclusion of the master agreement with respect to the EDA. We now see expenditures broken loose from that agreement, showing up in the budgets that are discussed by this House. We also understand that the minister is travelling to Ottawa next week to talk specifically about them.

When is the minister's government going to provide a public information kit as to exactly what is involved in the Economic Development Agreement to enable members of the public to gain a better understanding into what dollars are going to be expended?

Hon. Mr. Tracey: The Economic Development Agreement is available to anyone. It is a very innocuous agreement that says next to nothing. The agreements that we are interested in, in the Economic Development Agreement, are the subagreements. They are the ones that account for the money. The process of getting public information is going on right at this minute.

Northern Oil and Gas Action Program in the amount of \$1,108,000 agreed to

On Small Business Loans Program

50 **Mr. Byblow:** I gather that this government now, with its special relationship with the federal government, is going to procure the vast volumes of money that has been sitting in Indian Affairs for the past six years.

Hon. Mr. Tracey: We hope so, sure.

Small Business Loans Program in the amount of \$1.00 agreed to
On Old Territorial Administration Building

Mr. McDonald: The expenditure is \$425,000. Could the minister explain what sort of work is going to be done with this building. I notice that, in the expenditure detail on page 13 of the Capital Estimates, there is an interesting turn of phrase. It says "To provide funds to stabilize and rehabilitate the old Territorial Administration Building to usable adaptive re-use to house the Dawson City Museum and various government offices." What government offices does the minister anticipate will be using this particular structure?

Hon. Mr. Tracey: Maybe down there we have Parks and Historic Resources; or whatever, representative in the building.

What it is is to do the architectural planning for reconstruction of the inside of the building, and to actually restore the inside of the building back to what is necessary for a museum and also with respect to the old legislative chambers. We have already expended in the neighbourhood of \$1.2 million on the building to date. This is probably the final money that will be expended on the building and it will be back in a condition where it is stable and where we can utilize it to full advantage.

Old Territorial Administration Building in the amount of \$425,000 agreed to

On SS Tutshi

Mr. McDonald: Last year it was reported that we spent \$68,000 on the SS Tutshi. I have heard reports that we could be very close to having the boat opened up for public visitations. Is this the final funding for this project and will it mean that, by the end of the season or by early in the season, we can expect the boat opened up for visitors?

Hon. Mr. Tracey: Yes. This is the final expenditure that will be budgeted for the SS Tutshi at this time. At least we hope to have it open as a major tourist attraction hopefully sometime next year.

SS Tutshi in the amount of \$110,000 agreed to

On Fort Selkirk

Mr. McDonald: This is a lot of money to be spent on Fort Selkirk. Last year we had budgeted \$180,000 and we spent \$175,000. Last year, apparently, we provided funds for the stabilization work on the Taylor Drury store building and the Yukon field force building. Can the minister give some indication as to why, at this point, we are spending this amount of money on Fort Selkirk and, further to that, what portion of the overall rehabilitation or renovation plans this \$250,000 represents?

Hon. Mr. Tracey: I will answer the last question first. I do not know what portion it will represent. As the members are all aware, we have been, over the last number of years — even long prior to when we were first elected as a government — active in the restoration of Fort Selkirk. It is a representative community of old time Yukon, and not only of old time Yukon, but also of the river transportation era.

51 Restoration of buildings is a very costly job to get into it and \$250,000 does not go a long way when you start restoring a building. The amount of labour involved and the cost of duplicating materials originally in the buildings, is very expensive. I cannot tell you when or what portion this is of the total. It is something you can stop and start whenever you want. We have been very active over the last few years, trying to restore as much of it as possible. For members that have not been there, it is looking very good. There is a lot more that needs to be done yet, but I think in the long run it is going to be of benefit to the territory to have that restored community there.

Mr. McDonald: I think I would agree with the minister except that it would be quite nice to have the community renovated. Is there an overall renovation plan? The minister said that, long before this government came into being, restoration work had been done in the community. Is the government doing this on an ad hoc basis year to year determining what sort of expenditures are going to be placed in Fort Selkirk or are we looking at some sort of a progressive renovation plan over a period of years. That could lead one to believe that, after spending so many dollars over a certain period of time, renovation work would be completed for the time being. Or, is it, as far as government is aware, a sort of open-end proposition at this time?

Hon. Mr. Tracey: Well, certainly the department has a plan of which buildings they would like to see restored in order, and that plan is being followed to that extent whether money is allocated to it or not. That is the prerogative of the government and, in some cases, they may ask for more money than we are willing to provide. In the future, we may cut the money off for a year or something because we do not have the money to expend on it. Yes, they do have a plan. They have all of the buildings identified; they have photographs of them from the early 20s and up-to-date. We have, to date, pretty well followed their plan.

Mr. McDonald: Has the department given the minister any indication of what the costs of the 1984 dollars would be to further

complete the plan as the department would like to see the plan completed?

Hon. Mr. Tracey: No, and I would be hesitant to ask them that because I think the sums that they would like to see expended, and what the government would like to see expended, may turn out to be two different things.

Mr. McDonald: The member from Hootalinqua had a rather interesting suggestion a year or two ago that rather than replace these old structures and try to match old materials, perhaps we should just bulldoze the structures and put in brand new ones which would have a much longer life. Unfortunately for the member from Hootalinqua and fortunately for the rest of us, we decided to opt for this other route.

Can the minister tell us how many visitors the government anticipates in Fort Selkirk next year? Do we anticipate a large number of visitors, a small number?

Hon. Mr. Tracey: Virtually every river traveller stops at Fort Selkirk. I do not know what the figure is for this year but it is usually, in an average year, in excess of 3,000 visitors. I think that we do have a significant number of visitors. However, if we look at it on an economic basis, it is not economical for us to restore the community, at least at this time.

What we are doing is preserving, for the future and for future generations, a community that was there and has been there for a great many years.

Mr. Porter: The member talked about one of the costly areas, with respect to the Fort Selkirk project, as the area of labour. As I remember, the project utilized assistance from the Katimavik program a few years ago. Is that a continuing situation where Katimavik, who are largely volunteers, are still working in the particular program?

Hon. Mr. Tracey: Just about every year we have utilized Katimavik in Fort Selkirk. I totally intend to have that continue. We did have some problems a couple of years with the type of people and the type of supervision of the Katimavik. However, in the last few years, I think that it has worked very well. It has been of great benefit to us and I think has been of great benefit to the young adults who were with Katimavik.

Mr. Porter: You would think that the Katimavik people would take up a lot of the responsibility in the area of labour. Other than the supervision of the Katimavik people on site, and the necessary journeymen carpenters who would be required to possibly supervise some of the more complex work involved in the restoration, what are some of the other labour costs that you mentioned as being burdensome on the expenditures of dollars?

Hon. Mr. Tracey: We not only have Katimavik. Even when we do have them, they are not there for the total summer. Every year, we have people employed, mostly with regard to Fort Selkirk, from Pelly Crossing. We have probably half a dozen people or more there every summer so it is also a source of revenue and a payroll for the village of Pelly Crossing.

We have people from Hootalinqua, Carmacks, and Whitehorse. Most of the people involved are of native ancestry and actually it has been a very good program and we are very satisfied with most of the people that we have had working for us.

Mr. Porter: The last time I visited a site, which is a couple of years ago, there was a caretaker from Pelly Crossing who was employed on the site. Is that person relegated to seasonal employment with respect to the duties of a caretaker, or is that person there on a continuous basis?

Hon. Mr. Tracey: He is seasonal. Seventy-five percent of the year no one who is going through the area. He has been there and been funded by the Government of Yukon for a great many years, and there is no intention of taking him away from there at this time. He is there, and he keeps the tourist count — he keeps a list of the people that come into Fort Selkirk. He acts as a caretaker. Unfortunately, it is a very large area and, as far as caretaking goes, it is a rather hard job to try to be the protector of the area. He is really a person who everyone knows is there, and he does actually fine someone who is destroying or making off with some of the equipment or artifacts there. He can report and have something done about it. He is just a person who is there really, and in the

summertime he does work for us keeping statistics.

*Fort Selkirk in the amount of \$250,000 agreed to
On Ladue Sawmill - Dawson City*

Mr. McDonald: This year we are spending \$75,000 on the Ladue Sawmill, for building stabilization, I presume. We had budgeted last year \$25,000, and now it is revised to \$58,000. Last year the money was expended to provide for repairs to the exterior walls and roof, and for exterior painting. This year we are providing money for building stabilization. Why are we stabilizing the building after we have provided the money for repairs to the exterior walls?

Hon. Mr. Tracey: I think, if the member from Mayo went up to Dawson and had a look at the building, he would recognize what we have done to it. It looks very good and the money that we are budgeting this year is to repair the roof and to finish the foundation repairs under the building so that it can be utilized by some compatible company or organization that wants to utilize the building. This will complete the work that needs to be done on the Ladue Sawmill, and I think we have used local contractors on it. It has provided the payroll in this community, and the reason for it going from \$25,000 to \$58,000 was the advance capital that we did last year to have work programs, and this was one of them.

Mr. McDonald: I have seen the Ladue Sawmill and I do not question for a moment that it needs stabilization. What I am asking though, is why we are stabilizing the building after the exterior walls have been renovated. Normally the procedure, as I understand it, is to stabilize first the foundations and then to repair exterior walls. There have been cases where work has been done on old buildings in my district where there has been exterior work that has had to be re-worked, because stabilization has come at the wrong time. I am just wondering if the minister would have any comment on that?

Hon. Mr. Tracey: Certainly. As I just finished stating, the original was \$25,000, and that was just to stabilize the building to keep it from falling down. There was some work done on that building at that time. Then when we had the advance capital, we advanced more money and that was used to repair and paint the walls and protect it from the weather. This year, we are budgeting money to complete the foundation repair under the building, and also to repair the roof to make the building something that can be utilized. I find no problem with what has happened, considering the sequence of events. If we had decided in the first instance that we were going to start a total restoration of the building, we would have started with the foundation but that was not the sequence of events after the money was budgeted. Originally, we were going to stabilize the building in the condition it was in and try to maintain it there. We ultimately decided that we would put more money into it and start restoration.

*Ladue Sawmill - Dawson City in the amount of \$75,000 agreed to
On Herschel Island*

Mr. Porter: Earlier in this discussion with the minister with respect to the line item, Northern Oil and Gas Action Program, he mentioned that part of the funds to be expended in that area concerned Herschel Island. Now we see Herschel Island showing up as a separate line item. Why is Herschel Island in this area of the budget twice. What kind of work is being done and also — because I am not going to be here tomorrow — I would like to take the opportunity to put the minister on notice that I will be asking more questions regarding bison on Thursday.

Hon. Mr. Tracey: The reason why it is in both is because we were fortunate to get the planning portion funded under the NOGAP agreement. The \$100,000 that you see here is for actual manpower to do some restoration on the buildings, on the site. The one is territorial park plan, and the other is actual work.

Mr. McDonald: Perhaps the minister answered the question, but I did not catch it. What portion of the project funds does the \$100,000 represent in terms of stabilization of structures? Last year, the \$40,000 was spent on, presumably, the basic stabilization of the structures. How close will we be to completing the full stabilization of the structures with this \$100,000?

Hon. Mr. Tracey: I think that the member should recognize that as far as developing a territorial park on Herschel Island, you

could spend unlimited dollars there. This is stabilizing and protecting the buildings, doing whatever maintenance work that has to be done in order to keep the buildings in the shape they are in, or better. The actual management plan will be done under the NOGAP agreement and will outline what future use will be made of the park. This is just to maintain it in its present state.

Mr. McDonald: I did not realize that these projects, if you want them to be, can be completely open-ended and you can spend unlimited funds developing all sorts of attractions. My specific question was really about the stabilization of structures. Is there a finite limit to the amount that is going to be spent on the stabilization of the buildings?

Hon. Mr. Tracey: This is it.

Mr. Porter: A couple of years ago there was a situation where one of the subcontractors, either to Gulf or BeauDrill, found some of the buildings on Herschel Island suitable as a garage for some of their equipment and utilized them to store some equipment there. I would like to ask the minister if there has been a policy put in place by his government regarding the use of historical buildings on that particular proposed territorial park in terms of industry use of those buildings. Has there been anything developed? Is industry clearly aware now that they cannot utilize historical buildings for such things as storage of equipment or fuel.

Hon. Mr. Tracey: There is no storage of any industry material in the buildings at the present time, nor is it anticipated in the future. Personal belongings are stored in some of the buildings belonging to people who have lived there and utilized the area for a great many years, but no industrial material is being stored or is being contemplated being stored.

Mr. Porter: Herschel Island, in terms of that part of the world, is probably one of the best sites for deepwater vessels, and Gulf has taken advantage of that by taking their big tanker and some of the marine drilling equipment and wintering in the vicinity of Herschel Island. In terms of the jurisdictional responsibility, I would like to ask the minister: who has jurisdiction to grant the necessary permits to allow Gulf to utilize that area. I ask this question because this is a very vague area. I understand that under the *Yukon Act*, the Yukon does not enjoy any access to offshore waters in terms of political jurisdiction that falls loosely in the area of Canada and, as a matter of fact, contained within the *NWT Act*, being identified as an appendix to the jurisdiction of the Northwest Territories. The Yukon clearly asserts jurisdiction with respect to the land as situated on Herschel Island. What is happening exactly on that question? Can the minister explain?

Hon. Mr. Tracey: I think I can answer it by saying that we have legal opinions on it, and we have a very strong case. Regardless of whether the offshore is left in the *NWT Act* or not, we still have a very strong political jurisdiction of the offshore. We have not, up to this date, pushed it because we did not feel it would advantageous at that time to do so. Certainly we are now having another look at it. We have a friendly government in Ottawa, and it is being reviewed. We do have legal opinion that say, regardless of what is written in the *NWT Act* that we have a very good claim to jurisdiction of the offshore.

Mr. Porter: Recognizing that there may be a possibility of there being simply, somewhere down the line in our past history, some faulty draftsmen who were responsible for this error of jurisdiction, can the minister give us an appreciation as to the indications that he has received from the federal government in Ottawa, as to their willingness to recognize the legitimacy of Yukon's claim, with respect to the establishment of jurisdiction offshore?

Hon. Mr. Tracey: It is very hard to give a definitive statement at this time. The federal government in Ottawa has not been there very long. However, we do have the deputy prime minister as our MP, and I think that says a lot as to what the federal government's position may be on it. Certainly, we feel, and I think that any thinking person feels, that the claim of the NWT to offshore jurisdiction of Yukon is a fairly weak one. We are hopeful that, within the near future, the amendment to the *Northwest Territories Act* will take place — or to the *Yukon Act* — to give us jurisdiction offshore.

Mr. Porter: Early in the year, negotiations with respect to the establishment of agreements in principle led up to the final overall COPE agreement, there was some discussion as to the utilization of portions of Herschel Island for the purposes of facilitating economic development. Specifically, I refer to the area of Pauline Cove. In terms of this government's perspective on the issue, it seems very clear from the kinds of dollars that we have been voting in the Legislature, that there seems to be a policy emerging in this government to view that as an historic site which is to be preserved for the betterment of all Canadians, but there should be a territorial park pursued and that should be the purpose for which the island is used.

At the present time, we see that one of the major components of the oil and gas exploration program in the area is utilizing waters adjacent to the park for the purposes of storing and wintering some of the marine equipment. Can the minister give the House an indication as to some of the discussions that have gone on between his government, the developers and the federal government with respect to the future management, and disposition of Herschel Island? What is it going to be used for: a territorial park, or is it going to be a territorial park with some development on it?

Hon. Mr. Tracey: As everyone in the room knows, the Herschel Island Territorial Park is in legislation. It is under the COPE agreement and it is a piece of legislation. We are going to restore it and use it as a park. As far as whether there will be any future industrial use of any part of it, that will be something that will have to be addressed in the management plan that will be drafted for the park. I would say at this time that it is unlikely that, in the management plan, there will be provision for industrial use. This is mainly because the development of a port at King Point will be more than adequate to handle any industrial necessity.

That does not preclude companies such as Gulf Oil using Herschel basin as an over-wintering spot for ships.

Mr. Porter: A final question with respect to this issue and, I expect, the final question of the day with respect to this budget. Can the government leader give us the assurance that whatever management plan is developed for Herschel Island itself will also take into consideration the surrounding waters of Herschel Island and the use of those waters?

Hon. Mr. Tracey: No, because we are not dealing with offshore waters. We are dealing with the land, the land mass. It is virtually impossible to, at the same time, include offshore waters, especially with the question of jurisdiction that has not even been answered to date. Offshore waters are not part of the proposed territorial park, nor should it be.

Herschel Island in the amount of \$100,000 agreed to

Hon. Mr. Lang: I move that we report progress on Bill No. 39.
Motion agreed to

Mr. Speaker resumes the Chair

Mr. Speaker: I will now call the House to order. Can we have a report from the Chairman of Committee?

Mr. Brewster: The Committee of the Whole considered Bill No. 39, *First Appropriation Act, 1985-1986*, and has directed me to report progress on same.

Mr. Speaker: You have heard the report of the Chairman of Committee. Do you agree?

Some hon. members: Agreed.

Mr. Speaker: May I have your further pleasure?

Mrs. Firth: I move the House do now adjourn.

Mr. Speaker: It has been moved by the hon. member for Whitehorse Riverdale South that the House do now adjourn.

Motion agreed to

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

The House adjourned at 5:29 p.m.

The following Sessional Paper was tabled November 20, 1984:

84-4-40

Letter dated Oct. 31, 1984, to the Hon. Mr. Crombie, Minister of Indian Affairs and Northern Development, from Maurice Byblow, Chairman, Community Leaders Group, Faro (Byblow)