



The Yukon Legislative Assembly

Number 2

1st Session

26th Legislature

HANSARD

Tuesday, July 16, 1985 — 1:30 p.m.

Speaker: The Honourable Sam Johnston

Yukon Legislative Assembly

SPEAKER — Honourable Sam Johnston, MLA, Campbell

DEPUTY SPEAKER — Art Webster, MLA, Klondike

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Tony Penikett	Whitehorse West	Government Leader. Minister responsible for: Executive Council Office; Finance; Economic Development, Mines and Small Business; Public Service Commission
Hon. Dave Porter	Watson Lake	Government House Leader. Minister responsible for: Tourism; Renewable Resources.
Hon. Roger Kimmerly	Whitehorse South Centre	Minister responsible for: Justice; Government Services.
Hon. Piers McDonald	Mayo	Minister responsible for: Education; Community and Transportation Services.
Hon. Margaret Joe	Whitehorse North Centre	Minister responsible for: Health and Human Resources; Women's Bureau.

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kassi	Old Crow
Art Webster	Klondike

OPPOSITION MEMBERS

Progressive Conservative

Willard Phelps	Leader of the Official Opposition Hootalinqua
Bill Brewster	Kluane
Bea Firth	Whitehorse Riverdale South
Dan Lang	Whitehorse Porter Creek East
Andy Phillipsen	Whitehorse Porter Creek West
Doug Phillips	Whitehorse Riverdale North

Liberal

Roger Coles	Liberal Leader Tatchun
James McLachlan	Faro

LEGISLATIVE STAFF

Clerk of the Assembly	Patrick L. Michael
Clerk Assistant (Legislative)	Missy Follwell
Clerk Assistant (Administrative)	Jane Steele
Sergeant-at-Arms	G.I. Cameron
Hansard Administrator	Dave Robertson

⁰¹ **Whitehorse, Yukon**
July 16, 1985 — 1:30 p.m.

Speaker: I will now call the House to order.

Prayers

DAILY ROUTINE

INTRODUCTION OF VISITORS

Hon. Mr. Penikett: I would like to call the attention of all members to the presence in Mr. Speaker's gallery today of an extremely distinguished visitor, the Auditor General of Canada, Kenneth Dye, and his wife, Fran. Mr. Dye joined some members of this House and his colleagues, the provincial auditors from across the country, in a conference here last week. Mr. and Mrs. Dye concluded their visit to the territory with a hike over the Chilkoot from which they are both now still suffering. I wish all members to make them feel welcome.

Applause

TABLING RETURNS AND DOCUMENTS

Speaker: I have for tabling three documents. The first is a report from the Auditor General of Canada that deals with any other matter arising from the examination of accounts and financial statements of the Government of Yukon and the Yukon Housing Corporation for the year ending March 31, 1984.

The second is a report from the Chief Electoral Officer on contributions to political parties during 1984.

The third is a statutory report from the Chief Electoral Officer submitted pursuant to section 66.1.1 of the *Elections Act*.

⁰² **Hon. Mr. Penikett:** I wish to table the Fifteenth Annual Report of the Yukon Public Service Staff Relations Board. This report covers the 1984-85 fiscal year. Section 102 of the *Public Service Staff Relations Act* requires that it be tabled within 15 sitting days of receipt.

I wish also to table the eleventh annual report of the Teachers Staff Relations Board. This report covers the 1984-85 fiscal year and is required by section 223 of the *School Act*.

I also have for tabling, as required by subsection 37(1) of the *Interpretation Act*, a report entitled Report on Regulations for the period of October 5, 1984 to May 31, 1985. Since it is a weighty document, I will spare the page the trouble.

Speaker: Are there any petitions?

Introduction of bills?

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

Are there any statements by ministers?

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MINISTERIAL STATEMENTS

Hon. Mr. Kimmerly: As this House is aware, the Yukon Supreme Court ruled on May 10, 1985, that Section 18(1)(c) of the *Elections Act* was inconsistent with the *Charter of Rights* and of no force or effect in the requirement that one be a resident of Yukon for 12 months preceding polling date. This government finds the situation that therefore now exists intolerable, and deems it necessary that there indeed be a residency requirement to determine voter eligibility.

You can readily appreciate what abuses of the process might occur if the situation remains. Transients could be moved to ridings in advance of an election call, and indeed, after an election call until 12 days before the vote, to fraudulently influence the outcome of the election. Our ridings are small in terms of numbers of voters, and as all members are aware, several Yukon ridings have been won by extremely small majorities. We cannot permit a climate to exist that would allow for such abuses of our election process or a climate that would permit our election process to be influenced by temporary or transient work forces employed by large external

corporations or organizations. A single major construction project or mining project, with a large work force brought in from outside the territory could have a profound and long-lasting effect on our election process in that the result of that election could be dictated by persons with little or no interest or stake in Yukon.

The court decision in the Hedstrom case has been appealed, and the Council for Yukon Indians, an intervenor in the original action, has taken an appeal as well.

It is our intention to pursue that appeal in an effort to persuade the Court of Appeal that a residency requirement is constitutional. We further propose to prepare a constitutional reference to the Court of Appeal, pursuant to the *Constitutional Questions Act* to be joined with the appeal in the Hedstrom matter.

⁰⁴ I am currently consulting with CYI to determine the exact nature of the reference and the questions to the court in respect to a determination of the appropriate length of residency.

Because of the national implications such a reference has, in that every Canadian province and territory has a residency requirement, I am advising all provincial and territorial Attorneys General and Ministers of Justice of our intent, so that they may intervene in this most critical, democratic issue. We shall be proceeding with this process immediately in order to bring this matter before the court as soon as possible.

Mr. Phelps: I would like to respond to the ministerial statement. I am pleased to see that they are moving very quickly with this. I would point out that we, on this side of the House, for some time, have had a great belief in a residency requirement of one year, and I hope that in the course of this sitting of the Legislature, we can determine the hon. minister's preference with regard to residency requirements. Surely, when you are phrasing your questions, you must have priorities.

Mr. Coles: Although we are satisfied to hear that the government is continuing with the appeal of the residency issue, I would like to know what the government should like to see as residency requirements for the purpose of voting. There seems to be some major disagreements among government members on this issue and therefore no stand has been taken which would enable Yukoners of all persuasions to be aware of the government's position or intentions in this regard. The Liberal caucus is in concurrence with the concerns raised by the minister and believes the establishment of residency requirements for participation in the Yukon electoral process is critical.

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Hon. Mr. Penikett: I would like to address the question of fuel tax revenue, which was raised in the recent election campaign by the Progressive Conservative Party and the New Democratic Party.

At that time, both parties made a commitment to provide fuel tax relief to specific sectors of the Yukon economy. The current exemptions in the *Fuel Tax Act* have remained unchanged since 1975. In addition, Yukon is the only jurisdiction in Canada to collect a fuel tax on fuel oil used for heating purposes. Today, I am pleased to announce that, effective for the period of July 1, 1985 to December 31, 1985, fuel oil used off-highway for mining, trapping, logging, commercial fishing and hunting will not be subject to fuel tax.

In addition, for the same period, there will be no tax payable on fuel oil used for heating or on propane used for any purpose. These reductions in tax have been made through a remission order under the authority of the *Financial Administration Act*. The exemptions will cost the government approximately \$800,000 in foregone revenue and it is estimated that the spinoff benefit to the economy will be in the order of \$2.4 million.

During this period, July 1, 1985 to December 31, 1985, my government will undertake a full-scale review of tax policy and revenue sources to determine whether these exemptions should be made permanent and whether other changes should be made in the overall taxation regime of the Yukon government.

In these times of reduced economic activity, it is our view that the greatest possible tax relief should be afforded to those sectors of the economy most in need. But, those which are stable and relatively buoyant should expect to continue to play a sustaining role. As I have indicated, the effect of this approach on the economy as a

whole, and the financial capacity of the government, will be examined in detail before changes of this kind are embodied in legislative proposals for consideration by the House.

Mr. Phelps: I am really pleased to see that the government has taken this initiative which they, of course, borrowed from us. It is one that I was espousing long before the election took place and I am sure that they were able to avail themselves of the detailed work that we had done prior to the election in this regard.

I would like to raise, at this time, the one concern that I do have with that. They do not seem to be extending this to highway lodges for off-highway use, such as for generation of power and so forth. I would certainly like to see them take that under consideration.

Mr. Coles: It is with a great pleasure that I rise to speak to this policy change. Just to set the record straight, it was not only the NDP or Conservatives who raised this issue during the recent election. This particular statement has been a Liberal party policy since 1978, and I am happy to see that both parties have seen fit to adopt it.

I must, however, express one reservation. This tax exemption expires December 31, 1985, right in the middle of the trapping season. I hope that by fall the government will be prepared to introduce legislation to make this fuel tax relief a permanent policy. This is a type of policy change which will provide encouragement and incentive to all aspects of our resource industries, in spite of the hard times and low-level prices. Where the federal government plans to increase our fuel costs, we are at least able to demonstrate some leadership.

Hon. Mr. Penikett: I thank the leaders opposite for their responses. Let me just give this undertaking, in respect to representations made by the leader of the official opposition and the member for Tatchun, as we are doing the review of the revenue picture, we will take a look at the questions raised by them. My concern in using this instrument, if you like, this remission order, was that we had not had time to do a comprehensive review of the revenue sources available to government, nor of the long-term implications. Having studied the notes referred to by the former government leader in respect of this measure, he will know that there are some administrative complications which require some time to be worked out if this is to be a permanent issue.

Speaker: This then brings us to the Question Period. Are there any questions?

QUESTION PERIOD

Question re: NDP and Liberal agreement

Mr. Phelps: I have a question for the government leader. Yukoners are very concerned about the fact that they have received little or no information with regard to the deal struck between his party and the Liberals. That deal, as they know, was negotiated between two lawyers, partners in the same law firm in Whitehorse, and took some two weeks to negotiate. The question is: was part of this secret deal the agreement between those parties on whom the new land claims negotiator will be?

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

Mr. Phelps: We do not have a land claims negotiator yet, which is rather appalling, particularly given previous statements by the government leader about being a government in waiting, many, many times. That is no excuse for this government not taking an active role in land claims discussions. May I ask why has the government not taken an active role at the land claims table to date?

Hon. Mr. Penikett: There were a number of questions there, and in fact a couple of assertions. I am not sure whether I can deal with all of them within the rules of Question Period.

For a number of years, we were a government-in-waiting, although clearly we could not afford to keep someone waiting at \$800-a-day. We did not have that capacity. Immediately after being sworn in, we began consultations with various people about who might be an appropriate negotiator and what qualifications would be required for a negotiator. In fact, even prior to my being sworn in, I consulted with the leader of the official opposition on exactly

these points: what criteria he could recommend regarding the suitability, professional and other qualifications that might be appropriate.

I regret to say that I have not given the similar courtesy to the leader of the Liberal Party, but I hope to do that soon. I have not discussed that question with him at all.

Mr. Phelps: I am concerned with the fact that my question was not directly answered. I will phrase it in such a way that surely the government leader, as well as the public, can understand what I am driving at.

The grave concern expressed is this: apparently our government has been at talks, over the past few weeks and months, as observers only. There has been a deal struck which, according to last night's *Star*, says that our government has agreed only to participate in land claims talks if the other two parties let them. Is this government going to actively speak out to protect the rights of all Yukoners in the land claims negotiating process, or is it going to allow itself to be muzzled by either of the other parties?

Hon. Mr. Penikett: To deal with the last point first, no one has successfully muzzled me yet, even when I was a member on that side of the House, and people occasionally tried. While I have seen the headline in yesterday's *Star*, from my point of view, it is, at best, a half truth — and probably not even that much. Until such time as we appoint a land claims negotiator — and I still hope to be able to do that this month, and it was my earnest hope to be able to announce it this week, but that is not possible — we have been in discussions with the other parties about a process to get back to the table for which, as the member opposite knows, the Minister of Indian and Northern Affairs is promoting the idea of a memorandum of understanding.

The leader of the official opposition ought to know that the federal land claims negotiator is not at these talks, neither do we have a negotiator at the talks, but I would suspect that we have been as active in them as anybody at this point. The situation is that the CYI has proposed a draft memorandum of understanding. Exploratory discussions have taken place to find out what particular clauses in the CYI draft mean and what the implications are. All interested parties are now going back to consider the CYI draft and to prepare a position prior to continuing talks towards the resolution of a memorandum of understanding, which deals not with contents, or substance in any major way, but with the process by which we get back to the talks.

Question re: Public Service casual workers

Mr. Coles: My question is also for the government leader. Is the government leader familiar with the predicament faced by casual workers in the public service of the Yukon government?

Hon. Mr. Penikett: Yes.

Mr. Coles: In an article in the *Yukon News* dated July 12, the Public Service Alliance of Canada National Director for the Yukon, BC and the Northwest Territories was quoted as saying, "I am not entirely happy with the response. I felt it could have been a little more positive." This was in relation to the government leader's attitude when approached by a group of Yukon government workers and public service alliance directors acting on behalf of YTG casual employees.

Is the government leader now prepared to take action regarding the adoption of a more fair and open attitude towards Yukon government's casual employees?

Hon. Mr. Penikett: Mr. Speaker, I do not know how more open my office could have been last week when — I do not know whether it was fifty some people arrived — but it was not a basis for useful discussions as I indicated at that time, on a very serious topic. I had occasion to subsequently have a conversation with the person the Liberal leader has just quoted about the nature and relative, shall we say, impracticality of a forum of that kind for discussing such a serious issue. I want the member to know, however, that one of the first things we did when taking office was to ask the Public Service Commissioner to examine our policy commitments on that subject and for some plans to deal with the injustices done to casuals.

As the member will know, there are casuals and there are casuals.

There are some people who are in essence seasonal employees, and there are some people who are occasionally hired for a few days at a time. The situation in respect to these groups of people is quite different. The issue is one of sufficient complexity that I do not want to frivolously deal with the question. In fact, I want to deal with it properly. I believe I am scheduled to have a meeting with the senior officers of that union this Friday.

Mr. Coles: Can the government leader tell this House if he has set a timetable to introduce legislation to eliminate the existing second class status of casual workers, and if so, when?

Hon. Mr. Penikett: There is no timetable; we have not established one. I am not clear from the member's question whether he is looking for the legislation to resolve the problem of benefits or the problems of membership in the bargaining unit. There may be different routes to the resolution of both of those issues.

Question re: Land Claims land selection process

Mr. Phelps: I have another question for the government leader. Again it is with regard to land claims and a portion of that very same article that appeared in the *Star* last night. If it was erroneous, I would be pleased to hear that. My understanding is that the CYI is demanding that bands be allowed to reselect their lands on the basis of need and we know that many bands have the power to reselect their lands and apply for more land. I want to know if this government is going to take the position that they will allow the bands to start reselecting again, and allow them to select far more land than was granted in principle?

Hon. Mr. Penikett: To re-iterate, Mr. Speaker, the government's position is that we have as yet taken no positions on matters of substance which have been raised by CYI, nor have we had occasion to consider them. CYI originally tabled 16 points. I believe one of them is the matter referred to by the leader of the official opposition. Our tentative position in respect to negotiation on the memorandum of understanding is that we are not in a position to deal with those matters of substance or content at all. All we can contemplate at this point in those discussions is if CYI has matters that they want to negotiate, which they are identifying as issues, in what forum or in what way we will deal with them. Whether some of them are issues, as the leader of the official opposition knows, will be dealt with in the national forum. Some of them are subject entirely to local negotiations. We are having exploratory talks about all of that right now. We want to understand CYI's position before we take one. We have not yet — and I emphasize this — taken any position on any of those questions of substance, with which the member opposite is well acquainted.

The one other thing I want to say is that while I hope to provide regular and effective briefings to all members of this House on these questions as they evolve, it is not going to be my intention to negotiate land claims on the floor of this Assembly.

Mr. Phelps: Things do change, do they not, in a short period of time.

We have always, in this party, believed that we should be providing land, wherever possible, for all Yukoners, on a need basis. That has been a top priority. I would like to know whether or not your government will act immediately to acquire and request land from the federal government to meet the needs of all Yukoners, non-native and native alike, whether or not they have the consent of the bands and or the CYI.

Hon. Mr. Penikett: If the leader of the official opposition is asking if we are prepared to imperil land claims negotiations in order to do what he proposes, I would suspect not. However, we share his desire to meet the legitimate aspirations and needs of Yukoners for land, and we will, wherever there appears to be conflicts with respect to particular lands, expeditiously work them out with CYI. This will be as soon as we can get back to the table to deal with these matters of substance.

Mr. Phelps: I guess my concern centres on the fact that there are some 180 applications outstanding for agricultural land. What I really wanted to know is what the government's position will be if, in looking for a small piece of land that is not in conflict with present selections made by a band, will they proceed to try to obtain that land for the third party requiring agricultural land whether or

not they have the permission of the band.

Hon. Mr. Penikett: Mr. Speaker, if I understand the question, I think so.

Question re: Medicare premiums

Mr. Philipsen: I would like to direct my question to the hon. Minister of Health and Human Resources.

Mr. Speaker, while Yukon waited with great anticipation for the outcome of the deal between two unelectable lawyers representing the NDP and the liberal alliance, the issue of dropping medicare premiums was raised, which leads me, Mr. Speaker, to ask: how did the government intend to pay the approximately \$2 million shortfall.

Hon. Mrs. Joe: I have one quick response to that. The leader is dealing with that right now and it is being reviewed.

Mr. Philipsen: Then I will direct my supplementary to the leader of the government.

Will he, in the review he is undertaking, be addressing the issue of a sales tax for Yukon residents?

Hon. Mr. Penikett: Well, I am very surprised to hear the member opposite proposing a sales tax in this House. It is not something on the list of subjects which I had proposed for the review. Particularly, I am looking at our alternatives in respect to raising the revenue referred to by the member; whether there are alternate, more expeditious and fair instruments, whether there are appropriate substitutions, or whether we could absorb that loss of revenue. All possibilities will be examined by the review. I may say that if the member has some suggestions on that score, we would be happy to receive them.

Mr. Philipsen: I would suggest that we leave the situation as it now is.

Hon. Mr. Penikett: I will take that suggestion under advisement.

Question re: Cyprus Anvil Mine reopening

Mr. Phillips: I have a question for the government leader. Considering the importance to the Yukon economy of Cyprus Anvil mine, what is the secret deal that was agreed to by the Liberal party and the NDP with respect to reopening that mine?

Hon. Mr. Penikett: It is not secret, Mr. Speaker; it is very public. The deal is that it will be a matter of very high priority to this government; and it is.

Mr. Phillips: Are you telling us that there is nothing in writing, and that you have just sat down at the table and agreed to reopen the mine? Is that the deal?

Hon. Mr. Penikett: If we can reopen the mine, we will. If the member is asking if we have written down any particular points that we would agree to with respect to transportation, or hydro, or any particulars with respect to the opening, no we have not.

Question re: Political patronage

Mr. Lang: I have a question for the government leader with reference to political patronage, which was an issue during the course of the election.

When the government leader assumed the office, he dismissed two deputy ministers for "political involvement". Since that time, I have noticed that the two deputy minister positions are being advertised nationally. According to the government leader's position prior to the election, political patronage should not be a criteria for such appointments. Can he assure this House that partisan politics will not enter into the selection and that the selection will be based on capabilities and merit?

Hon. Mr. Penikett: Yes.

Mr. Lang: In view of the government leader's response, could the government leader explain to the House why he has named an active supporter of the NDP to the \$78,000 position of the deputy minister of the Executive Council Office and, further, could he explain why that particular job was not put out for competition?

Hon. Mr. Penikett: As the member knows, deputy ministers are recruited and appointed under the *Public Service Commission Act*. The Public Service Commission recruits and certifies. The government leader selects and appoints. Choices can be made from

a list of one or more candidates certified by the Commission. The appointment of the Clerk of Cabinet has been made in accordance with the act and future appointments will also be made in accordance with the act.

Mr. Lang: How many people were interviewed for the job?

Hon. Mr. Penikett: One person was interviewed, one person was certified, and one person was hired.

Question re: Faro schooling

Mr. McLachlan: My question is for the Minister of Education. Will the minister confirm today for this House that there will be a school covering the grades K to eight, or greater, in Faro for the 1985-86 school year?

Hon. Mr. McDonald: As the member knows, it is our intention to provide that particular range of grades to the children of Faro. Numbers permitting, of course, we are certainly intending to provide (inaudible) in that community. To promote that, it would include the provision of those school services.

Mr. McLachlan: Can the minister confirm for the House that once the school season begins, regardless of whether or not some families may be intending to move, he will not make a decision in midstream to pull the plug on this school if that number should drop below 12?

Hon. Mr. McDonald: It is not our intention to pull the plug at any given time or at any given number of students who may be in the school. Of course, we would like to reserve the right, in consultation with the member of course, to inject a little mode of realism should the numbers of students drop to a very low level. Certainly, it is our intention at this time, in view of the fact that the member's question was purely hypothetical, to provide a normal service for those students in that school for the 1985-86 year.

Mr. McLachlan: Can the Minister of Education confirm for the House today that a teacher has been found to teach in Faro, where, as he well knows, all the present teaching staff declined to continue to teach there this coming year?

Hon. Mr. McDonald: I am sorry, I do not have that kind of detail at my fingertips. If the member wants to know when the person or persons will be hired for Faro, and the names of the persons, we can certainly communicate those details to him at the soonest possible opportunity.

Question re: Executive assistant hiring

Mrs. Firth: I have a question for the government leader. Since it has been the government leader's position in the past that hiring executive assistants is indicative of the weakness of cabinet, and a gratuitous insult to backbenchers and all members of this House, could the government leader tell Yukoners why he is acting in such an inconsistent manner by hiring all these executive assistants and secretaries?

Hon. Mr. Penikett: The logic of the question completely defies me. However, since the member was quoting from a motion which is before the House tomorrow, I have some problem, procedurally, with the notion of entering into debate, when she is using words lifted straight from the motion.

Mrs. Firth: The government leader did not answer my question. I will pursue it with supplementary questions. The government leader has constantly maintained that we are a small government with limited resources, and that we have to be realistic about our size and scope of government in the economic plight of Yukoners. My question to the government leader now is: will he now get a grip on the real world? Does he have the guts to roll back the over-inflated \$41,000 a year salaries of his executive assistants?

Hon. Mr. Penikett: Mr. Speaker, I certainly have guts I could roll back.

As to whether I am going to be rolling back salaries of the executive assistants, I think I have to tell you that that is extremely unlikely. When we enter into debate on this question tomorrow — and I will make the proper comparisons with the spending of the previous administration on this question, and our spending on this question, in terms of total staffing comparisons — I believe I will be able to demonstrate and prove that we are producing considerable savings to the people of Yukon, because the executive

assistants in this government are not like the executive assistants in the old government. Our executive assistants combine roles, including that of policy analysts and policy advisors, of which there are none in this government. The executive assistants are doing both roles.

Mrs. Firth: There really is a difference between guts and fat, Mr. Speaker.

Since May 13, the government leader has continued to pontificate his desire for local hire. Previous to May 13 he talked about local hire also. However, since May 13, the government leader has hired at least four outside Yukoners as employees. How does the government leader expect the Yukon public to accept another inconsistency and another trickery?

Hon. Mr. Penikett: Mr. Speaker, I certainly hope the member is not accusing me of trickery, because that would be improper and I would have a question of privilege. However, if I will take the question seriously — which is have we hired four outsiders as political aides — the answer is no. The most unkind construction you could put on the hiring of political aides in this government is we have hired two people who are former residents and now are permanent residents of the Yukon Territory, people of considerable qualifications, and talent and ability. We have brought them back to work for us. If the member opposite is saying that former Yukoners are not welcome back to this territory, I am afraid I have to disagree with her.

Question re: Elk lottery

Mr. Brewster: My question is for the Minister of Renewable Resources.

When the minister was a critic, he was very critical of the government on how the lottery for elk was handled. My first question is: can the minister advise the House whether he has cancelled, or will be cancelling, the elk hunt for 1985?

Hon. Mr. Porter: Mr. Speaker, I thank the critic for the question.

The elk hunt, as members are aware, had proceeded last year with success. It will proceed this year with no interference from me, and hopefully it will be as equally successful as the previous hunt.

Mr. Brewster: Will the minister state if his present policy will continue after 1985?

Hon. Mr. Porter: I am sorry, I cannot give that immediate guarantee to the member opposite. The government has the ability to not lock itself into longstanding policy decisions. We always reserve the right for the future, depending on the health of the herd, depending on the conditions in which animals have to survive in. We may have to look at it at some future date. At the present time there has been no decision by my administrative department to cancel the hunt.

Mr. Brewster: Does the minister not agree that holding a lottery is much easier than having taxpayers pay for new projects, when this can be done by a lottery system?

Hon. Mr. Porter: I agree to the extent that funds raised by lotteries sponsored by private groups do assist government in meeting its funding requirements for programs.

Question re: Residential lot pricing

Mr. Coles: My question is for the Minister of Community and Transportation Services.

Could the minister please advise the House as to his department's position in regards to the policy concern of pricing of residential lots.

Hon. Mr. McDonald: To my knowledge, the policy has not changed from previous practice. It is the policy of the government to price lots in accordance with development costs. I do not see how that policy would change. If the member has any suggested changes, perhaps he can mention them right now.

Mr. Coles: Is it going to be the position of this government to allow the carrying costs of unsold land in their possession to incur interest charges annually, thereby putting the selling prices out of the sight of the average Yukoner?

Hon. Mr. McDonald: Certainly, some people in rural Yukon would suggest that selling land at development costs does put it out

of their reach in the first place. In accordance with past policy, and we will be reviewing the past policy in the near future, it is our intention to continue to allow interest to accrue on lots. When the lots really did exceed market value and really are unreasonably priced, according to past practice, of course, the government has arbitrarily lowered the prices to a reasonable level. Until such time as we can find a more rational scheme, the previous practice will remain present practice.

Mr. Coles: Is the minister now saying that there will be absolutely no change in the policies of the past government on residential lots?

Hon. Mr. McDonald: I am not saying that. I am saying that at the present time we have not had the opportunity to review the policy. It is a lengthy exercise. When we can find the time, and I realize it is certainly a priority for the people in my riding for example, we will certainly, in the near future, review the policy to determine whether or not we can effect a more rational, or a better, pricing policy for residential lots.

Question re: Yukon Native Courtworkers

Mr. Phelps: I have a question for the Minister of Justice. As Yukoners are aware, the minister met with the Yukon native courtworkers board of directors in late June, and told them that he wanted certain changes made or he would cut off the funding. Then on July 2 of this year, he unilaterally cut off the funding effective July 1. Did the minister read the agreement between this government and the Yukon Native Courtworkers Society dated June of 1979, prior to making his July 2nd announcement?

Hon. Mr. Kimmerly: I thank the leader of the official opposition for the question. The courtworkers, as he well knows, is the only program that the Government of Yukon delivers or funds directed to native people. I am gratified to be able to say that I have the specific authority of a vice-chairman of the Council for Yukon Indians that the council supports the action I have taken on the courtworkers.

The premise that the leader of the official opposition has taken was incorrect. In fact, at the first meeting that I had with the board in June, I notified them that the funding would cease. In answer to the specific question, I consulted with my officials about that specific agreement, and also about the agreement with Canada concerning the courtworker funding. I personally did not read the agreement before the meeting with the board in June. Subsequently I did read the agreement, and I have a copy at this time.

Mr. Phelps: What I am trying to determine is why the hon. minister took action that clearly breaches the agreement that is in writing, and more specifically, clause 16, by not informing the society of his criticisms in writing; clause 18 by actively trying to hire someone from, again, outside Yukon — Alberta — to provide the service in the society's place; clause 25 by not proceeding to arbitration before acting unilaterally with his July 2 announcement about cutting off funding; and, clause 28 by not giving proper notice on July 2, which he belatedly attempted to correct with his subsequent letter to the society. Why, my question is, has he breached the agreement and is continuing to breach the agreement in these ways?

Hon. Mr. Kimmerly: We have not breached the agreement and it is our intention to live by the terms of the agreement. It is also our intention to bring into the effect the termination clause of that agreement. That has already been done.

Mr. Phelps: I am pleased to find that, belatedly, they have lived up to one term of the clauses, which I say have been breached very clearly. My supplementary is to the government leader. Does his government intend to honour contracts to other parties and, if so, will he instruct his Minister of Justice to honour such contracts in the future?

Hon. Mr. Penikett: At the outset, in response to the second part of the official opposition leader's question, I do not share his medieval view of cabinet government and in this government, the government leader will not be instructing cabinet ministers to do anything. We will be making collective decisions and the Minister of Justice, in this case, came to cabinet for confirmation of his intended course of action. We have, if you like, confirmed a

decision made by the Minister of Justice in cabinet solidarity as is the custom in the British Parliamentary system wherever it flourishes.

Question re: Whitehorse Elementary School teacher transfer
Mrs. Firth: I have a less provocative question for the Minister of Education.

The Minister of Education has previously said that the situation that exists at Whitehorse Elementary School is very threatening and potentially explosive — a situation which he caused by mucking about in the administration and reversing a decision that was made to transfer a teacher. He also stated that moving the French school out of Whitehorse Elementary was a possible solution to this problem. Could the minister tell Yukoners how much this move could cost?

Hon. Mr. McDonald: The member, in the her preparatory remarks, made a number of statements which I would like to respond to. With respect to the proposal to move French language from Whitehorse Elementary, that is an option which is being studied at the present time. The full cost justifications in relation to that have not been established. We hope that it will be so that when the decision is made as to whether or not that will be an alternative under the circumstances in this rather interesting situation, the cabinet and government and ministers will be able to make a decision which satisfies the needs.

Mrs. Firth: In light of the fact that we are already receiving some \$600,000 in funding from Secretary of State for French programs in Yukon for some 34 children, has the Minister put a direct request to the Secretary of State for more funding and was that request denied or has it been responded to?

Hon. Mr. McDonald: We have made a request to the Secretary of State. That was certainly one base we wanted to cover and the Secretary of State made it quite clear that if we were talking about renovations to other schools or to other buildings, the Federal government would not be prepared to provide those funds.

Mrs. Firth: In that case, Mr. Speaker, where is the Minister of Education going to get funding for that move if he should make it? What existing program is he going to take the funding from in order to make the move that he is talking about?

Hon. Mr. McDonald: Mr. Speaker, in the previous Legislature, I do not think I would have been permitted to ask such hypothetical questions. Certainly, the previous ministers would not have been prepared to answer hypothetical questions.

In any case, we understand the ramifications of that particular option, should we take it. If we were to consider transferring the French program from that school to another location, which might require some capital upgrading, then we would have to pay for it with territorial funds. It is a purely hypothetical question. Not only has the decision not been made for the transfer of the program, but, if the transfer did take place, there is no guarantee that we would have to face any sort of capital upgrading in the new facilities.

Speaker: Time for question period has now elapsed.

ADDRESS IN REPLY TO SPEECH FROM THE THRONE

Motion No. 24

Mr. Webster: Mr. Speaker, I move that the following address be presented to the Commissioner of the Yukon: May it please the Commissioner, we the members of the Yukon Legislative Assembly, beg leave to offer our humble thanks for the gracious speech that you have addressed to the House.

Speaker: It has been moved by the member for Klondike that the following address be presented to the Commissioner of Yukon: May it please the Commissioner, we the members of the Yukon Legislative Assembly beg leave to offer our humble thanks for the gracious speech that you have addressed to the House.

Mr. Phelps: I am very pleased to rise and give my maiden speech in the House at this time. I may be a bit rusty as it has been awhile since I have been here.

I want to say, however, that I am extremely disappointed. We had a Speech from the Throne that was totally lacking in substance, and

that the subsequent speech given by the government leader was also singularly lacking in substance.

I am really embarrassed for this new government, that they would come into a session with a Speech from the Throne that was so empty. It was the shortest Speech from the Throne that I have ever heard or heard about. They must be embarrassed.

You come before this Legislature asking to be allowed to spend \$107 million with no clear policy outlines, and little explanation.

I want at this time to discuss three central themes, namely secrecy, inconsistency, and arrogance. Those three things are tied together. The present government members promised time and time again that they would have an open government, yet they made some kind of a secret deal with the other party. They certainly have not divulged the details of that deal to the public of the Yukon. This is inconsistent. By their inconsistency, by promising certain things prior to May 13, and then acting in a way entirely different, they demonstrate, I say, an arrogant attitude toward the public of Yukon. They seem to feel that they can fool the public at will.

Let us look at one of those themes: secrecy. Two lawyers, both from the same law firm, both unelected — and some say, unelectable — met for two weeks behind closed doors, and negotiated a package. Of the details of the package, little is said, and little is revealed, but the public has the right to know the details. One of the lawyers, we understand, is leaving the territory. Is that because the deal was so bad, so bad he cannot live with it? Again, Mr. Speaker, the public had a right to know. Are the Liberals so desperate to hang on to their seats that they will prop up this government at any cost to the public? Is this going to be known as the Tweedle Dee and Tweedle Dum government, with one minority party blindly assisting the other?

²⁰ The public has a right to know.

And then we have the previous comments of the members opposite who have long advocated that they were government-in-waiting. If that was the case, in fact, and with the election two months behind us, why is there not even one major initiative disclosed in the Throne Speech?

The Speech from the Throne and the budget speech by the government leader, Mr. Speaker, has created a territory-in-waiting. We are going to be asking, and we do ask, where is the beef? Where are the policies? The public, again, has the right to know.

We know where the fat is. They have not taken long to belly up to the public trough. They said the public service should not be politicized, yet they hired a party supporter as a deputy minister of the Executive Council Office at \$78,000 per year and there was no competition for the job. They took a stand against hiring executive assistants, saying such appointments are ludicrous and unnecessary considering the small size of government and the work load of cabinet. Yet, Mr. Speaker, they quickly hired executive assistants when they took office.

They spoke about the need for restraint, about the economic plight facing all Yukoners, yet they raised the pay of their executive assistants from \$29,000 to \$41,000 a year. They spoke about local hire, yet they refuse to take steps to ensure that their executive assistants and political staff would be from Yukon. They spoke about a clear separation between the ministers and their departments, yet we have the Minister of Education reversing departmental decisions and governing by petition.

We have the Minister of Justice arrogantly reaching down and interfering with the administration of the Yukon Native Courtworkers Society, beyond even the bureaucracy, and interfering with a body that was set up to ensure that it would be independent, and seen to be independent, from government manipulation.

Mr. Speaker, the inconsistencies abound. We all know that the socialists are pseudo-intellectuals, but are they really so arrogant as to think that they can fool all the people in Yukon all of the time? Mr. Speaker, we are here to provide good opposition. The public wants to know the answers to our questions. The public wants to know what policies, if any, this government has. They ask, as we ask: where is the beef? I hope we can found out if there is any beef, or even a little red meat, over the next few days.

Thank you.

²¹ Applause

Mr. Coles: It is an honour for me to have the opportunity to rise and respond to the Speech from the Throne. Before I begin, I would like to use this occasion to thank the people in the riding of Tatchun, for it is indeed an honour that has been bestowed upon me to be here today.

I would also like to assure all Yukoners that the Liberals in this Legislature will be doing all in their power to help fulfil and restore their faith and expectations in our government. Yukoners of all political stripes and persuasion have spoken, exercising their franchise, voters have demanded a change from the attitudes and styles of previous governments. After seven years of Conservative representation, Yukoners, instead of feeling good, have become disillusioned. No, it is not because it could not work, but because the government failed to seize the opportunity to ensure the economic well-being of all regions of Yukon society.

Had the government the wisdom and vision to understand that the great cannot exist without the small, nor the small without the great, they would have recognized this linkage in our cultural wealth of regional diversity and talent. Instead, and true to our history, our Yukon continues to be dotted with the remnants of former ghost towns or communities that might have been. We were never meant to live in a civilization that differs between the haves and the have-nots.

The lack of growth in our economy these past seven years is proof of the past government's failure either to see or to recognize this principle of linkage and interdependence. Yukoners will no longer be fooled by a government that chooses to blame everyone else for all the ills or ups and downs of our Yukon economy.

We teach our children to accept the responsibility for their actions. Can we expect to do any less for ourselves? I would hope that the members of this Assembly will at long last adopt a more balanced approach to their successes and their failures. We must learn to know when to be gracious and when to criticize.

For years, our friends in the Northwest Territories have engaged their federal counterparts in a much less antagonistic approach than our own. It has borne much fruit. Without exception, this manner of dealing has resulted in a budget that is nearly two times the size of our own. Political inflexibility at the expense of practical or rational reason is a bill that Yukoners no longer wish to pay and no longer will they stand for it.

Perhaps, as we begin this session, we members will do well to reflect on where we have been, where we are now and, most importantly, where we are going.

It has been almost one hundred years since the Klondike Gold Rush where we Yukoners were given our first lesson on the principle of linkage and interdependency. Ever since, our governments have been progressively letting it slip through their fingers. If we continue to avoid the distinction between a renewable and a non-renewable resource, it will not be long before we run out of tomorrows. We can no longer afford to adopt the traditional policy of previous governments, which has been to react to events rather than plan for them. We need an affirmative plan of action, which should be based on a principle of linkage; one which encompasses all of our communities rather than one at the expense of the others. It should be comprehensive enough to address the obvious connection among the three main industries of tourism, mining and government.

It has been said that there are three kinds of people in this world; those who watch things happen, those who say what happened and those who make things happen.

²² Fortunately, our history has not been without its share of profits who subscribe to the later. Joe Ladue, of Dawson City, was one such person. He recognized that there was more gold to be made catering to the needs and services of miners than in the mines themselves. As such, he set about building a town, and so sprang up churches, schools, hardware and grocery stores. He could see the needs of the miners, for they were obvious. But looking further, he could also see that he would have to look after the needs of the families. It was not long before another group of Dawsonites recognized that their resources were fast being depleted. If they were to survive, something else would soon be needed. They began

dressing up in Klondike clothes and going down to greet each and every family who arrived in town. Yukon's second industry was born; that being tourism.

Historically, our third major industry, government, happened almost simultaneously, and concurrent with the first two, for it was obvious that a facilitator would be needed to provide for the common good of all, rather than just one segment of its people or industry.

Years later, the link that could have securely bound all three came into existence. The year was 1941, the second world war, and so began the greatest construction boom the Yukon has ever seen: the Alaska Highway. This link, if it is to be properly understood in its relationship to our established three industries, would have provided for the strongest connection yet in our historic chain of events, either before or to the present day. Correctly recognizing that Whitehorse was more centrally located, the decision was made to move the capital and in so doing Whitehorse became the transportation centre of Yukon.

Unfortunately, in making the move, the government forgot that their original role as facilitator had become something much more. It was now also one of the three main industries, and a resource base for rural communities. Rural areas had thrived on the government's physical presence. Not since 1898 had our territory seen a population base that exceeded or neared the 30,000 mark. I submit it will not until such time as government recognizes its limitations and takes a different approach in its application to all of our communities. With the opening of the highway and the move of the government, we should have had the vision, the foresight and wisdom to recognize our population limitations, and to see all our regions for what they were — rich in tourism and mining potential — and adopted a more de-centralized approach in the government of all peoples of the regions.

Instead, what Yukon got was a central government that was good, but a centralist attitude, which is bad. Ever since, our government has been creating a society of the haves versus the have-nots. This is criminal, to say the least. Rome fell, not because of the central government, but because of the central habit of keeping the wealth to itself, while leaving the settlements to fend alone. Eventually these settlements rose up and allowed the overthrow of the government. It would appear by recent events in our territory, that history does indeed repeat itself. At a time when our economy is faltering, at a time when unemployment has reached epidemic proportions, what solutions were adopted? They offered leased cars for cabinet ministers and \$60 per day for wining and dining. After offering a fresh approach under a new leader, what action do Yukoners see? Instead of jobs or actions to alleviate the problems, they saw the enlargement of the leader's own personal office.

Mr. Speaker, if that is leadership, then heaven help us all. Recently we have heard it said that a 47 percent popularity means they still enjoy overall support of the territory. But on a second glance, we find that the majority of this support is to be found in only four or five of the 16 ridings.

23 We have also heard it said that perhaps they have left too much up to their rural candidates. It is all fine and good to blame them, but surely by now we can judge the folly of this centralist tactic. I know that we Yukoners ought not to look back unless it is to derive useful lessons from past error, or to profit from expensively-purchased experience. Returning to the history of yesteryear for that purpose, Mr. Speaker, I believe the history of the Klondike can teach us yet another lesson. After the move of the government, did Dawson fold? No, Mr. Speaker, it is not. Again, feeling threatened, a group of its citizens got together and made representation to the federal government, and so was born the master development plan. This was a scheme for the reconstruction of its historic gold rush period. Dawson, with a budget of some \$25 million, became a tourist Mecca. In submitting their plan, they based it on a long-term objective. To this day the wisdom of this is still very good.

In spite of the Klondike example, government persisted in the philosophical attitude of "live for today, tomorrow can look after itself". Government continues to focus the majority of its attention and interest on the non-renewable resource of mining. Until just a few years ago, tourism was treated or regarded with indifference, even

though in 1970 it had gone from a \$10 million to a \$80 million industry. If it had been linked properly, mining tourism and government would have had more peaks, and many fewer valleys. If they had been promoted equally and shared by all of our communities rather than a select few, we would have seen much more economic development and activity and most of all, more people. Instead, what we have is a string of communities that are still struggling to survive.

The "anything to get elected" philosophy will no longer be tolerated. Yukoners are demanding more and they deserve more. Campaign rhetoric, such as constructing a small building or a firehall during an election, has been seen for what it is. Sham politics has had its day in this territory. Feeding the rich or the few at the expense or exclusion of the poor is a policy that is bankrupt. Mr. Speaker, we want no more ghost towns. Beginning now, we should follow the example of the Klondike. We should bring together equal representation from all our communities and begin the process of developing a master plan on behalf of all of our regions. I know we cannot change the past, nor can we make wholesale changes in existing realities. But we can profit from our mistakes. This government should change from its former centralist stance to that of a decentralized form of government.

There are many examples, Mr. Speaker, of how we could accomplish this, and by the benefits that would accrue. For instance, we could begin by petitioning our own federal representative to make application on our behalf to have the regional headquarters of Parks Canada moved from here, to either Carcross or Haines Junction.

Our own Department of Tourism is hopelessly overcrowded in its present location. Their building was never meant to hold its present volume of people. Can you imagine what it would mean to Carcross or Haines Junction if you were to relocate them there, or for that matter, to any of our rural communities? Watson Lake, Dawson, Carmacks, overnight, would have a resource base from which to draw for many years. The Yukon Visitors Association is already here and, by all accounts, is doing a good job and is more than capable of flying the tourism banner. Carmacks is ready and willing to consider the building of the juvenile detention center within its boundaries. I ask this House to consider the possibilities. Just look at the enormous benefits that would accrue for some of the small rural communities were we to actively contemplate this. Even if we were to consider only a small portion of our existing structures, while looking to our future developments in this way, rural communities that before had nothing would now have a resource base from which to draw. Roads would be built, schools would open, stores built and industry established. I know that the communities are more than willing to entertain proposals of this nature. Let us begin to give these communities an even chance. 24 If we fail to act now, history will not forgive us. In many of these places tourism is still an untapped resource. Our rural regions demand more than a passing glance every time the election happens. Common sense tells us that the capital of the country or territory is as sound or as strong as the country or territory it rules. The sound development of the capital must include first of all the development of its base. The territory, if it has no developed hinterland, its capital is only a shadow. We need long-term planning, we need it especially in career planning. Our tourism hospitality programs must be given a higher priority if we are to continue to enjoy our share of this market. For those who express an interest, we should begin training in the graduation year in high schools and not wait until they have left for greener pastures because of the lack of work or opportunity. We can not continue to import people from the outside at the expense of those within.

Mr. Speaker, Liberals bring a badly needed balance in this Assembly, one that has been missing for the past three years. Liberal representation in this Assembly is on behalf of all Yukoners. In spite of the bombast and political posturing by other parties, the only alliance the Liberals have made is the alliance with all Yukoners. The Liberals represent the balance in this House, where the extreme views of left and right are represented. Liberals are to prevent both the hoarding and the giving away of our wealth. Liberals will ensure that the distribution of government activity

leans towards increased regional participation. It is our intention to encourage this government to bring land claims to a successful conclusion. It is our intention to correct the misperceptions on land claims left in the minds of Yukoners left by the previous government and to prod this one to move forward with a positive approach. Land claims are in the interest of all Yukoners. No longer will we allow government to be blinded by the pursuit of power at the expense or the exclusion of all else. Liberals believe in earning leadership, not siezing it. Mr. Speaker, as we begin this legislative session, let us demand of this government that no more will it be just business as usual.

In our infancy, we took a number of short-sighted and wrong turns, but it is not too late to alter our course. By de-centralizing our approach to government, we will at long last be giving all of our regions something to cheer about. Hope will ensue and prosperous activity will follow. This is a time for visionaries. Hindsight demands logic. Action indicates wisdom and statesmanship. If we fail to rise to this occasion we may never be able to undo the damage caused by the previous government. Let us show Yukoners that real politicians are people with their eye on the next generation, not just the next election.

Applause

Mr. Brewster: For starters, I thought we had a regional headquarters at Kluane National Park. I guess I have not been around there too much.

Mr. Speaker, I am frankly very pleased to be here and to be able to reply to the Speech from The Throne. But the way that this minority government has been acting for the past two months, I had begun to think that the parliamentary system which I had grown accustomed to was not going to be used any more. It was not that long ago that I recall the members opposite screaming and crying about not following proper parliamentary procedure when we were the government. Being rather new to the political game, I did my best to respect the democratic process, this House and its rules. It never ceased to amaze me how quickly some politicians came to completely change their beliefs and ideas once they were in office. ²⁵ This already appears to have happened to the members opposite. First we have to wait two months before the new minority government is prepared to call the Legislature to see if it enjoys the confidence of the House. Only now are we afforded the opportunity to be able to question the unholy alliance between the socialist and the not-so-sure socialists. Perhaps the government cannot pay the price — who knows? As the representatives of the people, we have the right to debate the issue of the so-called verbal understanding in order to determine just what has been agreed to. I would like to review what has transpired since the new government assumed office at the end of May. There has been a disturbing series of events that calls the credibility and the confidence of this government into question.

The first event concerns the Public Accounts Committee conference. The members came to Whitehorse from all over Canada, including the Auditor General. The government leader knew about this conference for a long time, but he would not call the Legislature into session to form a new Public Accounts Committee, even though the Yukon was hosting the event. Instead, the government leader chose to invite Mrs. Firth and me to participate as former PAC members. Effectively we were participating under false pretenses, and had no right to go. We accepted the government leader's invitation out of courtesy. I found it ironic to be sitting there as an observer in my own territory. There is no doubt in my mind that the present government should have called an earlier session of the Legislature to name the members of the Public Accounts Committee so that Yukon could have *bona fide* representatives at the conference. This would have been the right and proper course of action to follow.

Similarly, the calling of an earlier session would have allowed the Legislature to name the Speaker. This is no reflection on you, Mr. Speaker, but I found it extremely improper to learn of your selection through the media. I think it is very sad that the government should act this way.

The most disturbing trend of all that I see developing, however, is

the lack of consistency. The members opposite, for years, have said one thing, but now that they are in government they are practicing another. For example, after all the talk about building the Yukon economy, where did the government leader take the PAC convention? They chose to go to Skagway rather than Kluane National Park, a world heritage site. The guests, many of whom were visiting Yukon for the first time, could have been treated to a slide show that has won world-wide acclaim. Parks Canada, for its 100th anniversary, have chosen to honour people who first climbed their mountains and mapped what is now Kluane National Park. Some of these men, now in their 80s and 90s, came to the park from all over North America. Obviously, the Minister of Renewable Resources was not impressed, because he spent about half an hour with the group in three days.

Even a half hour was better than the treatment that the Haines Junction people received when they held a special opening for their swimming pool and the community club assets were turned over to the village. No minister showed up at all. Is a concern for the outlying districts only important at election time?

Another example concerns the Minister of Education. He was so busy responding to petitions that he does not have time to answer his correspondence. The Kluane Tribal Brotherhood Council had written a letter requesting a meeting some time ago. The letter was dated June 20. So far there has been no response. Should I recommend that they try a petition? If the minister was attending to the administration of his department as directed by the government leader, perhaps he would have more time. The Minister of Justice did not hear the government's warning about ministers mucking around their departments either. He was too busy firing the Yukon Native Courtworkers. His department will likely be next.

The biggest inconsistency of all, however, is to be found by watching the government leader. I am beginning to think he has a split personality. Tony Penikett, the official leader of the opposition, and Tony Penikett, the government leader, are two entirely different people.

²⁶ As opposition leader, he accused us of having a large personal staff. As government leader, he hires a large personal staff. As opposition leader, he berated us for not hiring locals. As government leader, he advertised deputy minister positions outside the territory and hired some non-Yukoners for his own personal staff.

As opposition leader, he castigated the Conservative government for wasting money on ministerial cars and expense allowances. As government leader, he immediately wipes out any savings by giving each one of his ministerial assistances an \$11,000 raise. As opposition leader, he used to grill us about making patronage appointments and politicizing bureaucracy. As government leader, he has appointed his former campaign manager as Chief of Staff, Maurice Byblow as the shadow Minister of Education, and Eloise Spitzer at a handsome salary of \$78,500 as the deputy minister of the Executive Council.

I could go on, but I think the government leader may be in need of medical attention. He is obviously having trouble keeping things together. What he says and what he does are two entirely different things. Unfortunately, this problem goes through the entire government. Consequently, I am extremely disappointed at the track record of the government so far. He had better pull up his socks and do some work. Public posturing and rhetoric are not good enough anymore. Yukoners deserve more and expect more. There are no honeymoon periods in Yukon politics. I welcome the government members to a world of harsh reality.

Thank you.

Applause

Hon. Mr. McDonald: I move that debate on the motion be adjourned.

Speaker: It has been moved by the hon. Minister of Education that debate on the motion be now adjourned.

Motion agreed to

GOVERNMENT BILLS

Bill No. 3: Second reading - adjourned debate

Mr. Clerk: Second reading, Bill No. 3, adjourned debate.

Mr. Phelps: The speech by the government leader yesterday was, as I have already said earlier in these proceedings, kind of pathetic in what little was said. We are in a situation where the public of the Yukon Territory is really feeling ill at ease because they do not know what kinds of policies or actions this new government is going to take. It is a mystery and it remains a mystery.

I would like to take this opportunity to point out two things. Firstly, we left the government in extremely sound financial shape. We negotiated and signed the packages of economic development agreements and sub-agreements. We had signed something that was evolutionary for this territory. We obtained the signing of the formula financing agreement. We left this territory in a situation where, as of right, by a binding agreement, it could expect more money over the next three years, no matter what else happened in Canada, from the federal government, by contract, than it has ever seen before.

²⁷ We negotiated a pact lease that in effect gave us a capital budget for this government to spend. It was some \$13 million more than had ever been seen in Yukon. That budget, as part of the formula financing budget, is guaranteed and carries on with or without mismanagement on the other side, so that Yukoners can feel secure with the financial legacy we provided.

When I look at this particular bill, I kind of scratched my head and wondered what this government has been doing, not only for the past two months, but all that time they were a government-in-waiting, in the opposition, and we see nothing innovative, nothing new. I have to wonder if they really understand the budget that was drafted by the previous administration and that is something that we are going to have to plumb with extreme care because I, for one, am not prepared to blindly okay \$107 million in expenditures without a lot of explanations and some kind of confidence in my soul that the people of the Yukon are getting their money's worth from a group that has some kind of rudimentary understanding of the existing policy, some concept of how you change policy properly and appropriately in government, that this group has some sense of where it is going and that this group will act in a way that is fiscally responsible and act in a way that is prudent and in the best interests of all, and I say "all" advisedly — all Yukoners.

So I am going to be looking forward to answers on specific points when we get to the Committee of the Whole. We are not going to let these people off the hook. We are not going to accept a *fait accompli*. We are not going to accept false logic, the false logic being that because a previous administration drafted the budget, that we should blindly let them off the hook, they not having done their homework, they not having presented amendments or new policies to the people of Yukon and to us, the official opposition — I mean just us, the six of us.

Mr. McLachlan: Mr. Speaker, given the limited information which is available to me on some parts of the Interim Supply Appropriation Act, I can only comment that I wish that, perhaps, some areas were a little larger, perhaps some were smaller. I wish that more money was available for some departments. I cannot agree, Mr. Speaker, with the remarks of the leader of the official opposition as to the particular state in which his government left the territory. When you see the withdrawals and the pullbacks and the pullouts in my community, in my area, not only on the part of private interests but on the part of the government, I have to question some of the explicit statements that he has made.

The only reservation, Mr. Speaker, that I wish to add to the comments from our party in relation to the *Interim Supply Appropriation Act* is that notwithstanding some things that may have to be identified within the next two months in regard to almost inevitable problems that may come up with a request for financial assistance on the part of this government towards a reopening of Cyprus Anvil, it is my only hope and wish that those requests do not strain this budget beyond a breaking point, or beyond a capacity to withstand whatever may eventually happen.

Mrs. Firth: There is, as you know, an old Chinese curse which goes, "May you live in interesting times". Yukoners are clearly living in interesting times because, for the first time in history, we have New Democrats sitting at the government desk. The government leader, who did not believe in miracles, surely must now have changed that position after May 13. For May 13, for the New Democrats, was indeed a miracle. It has been the new government leader's attitude that government's change their positions all the time. I want all Yukoners to know that now that is the only position the new government leader will maintain with some consistency, because from his track record so far, as short as it may be, there has been nothing but changes, flip-flops and inconsistencies.

I digress. We are in the second reading debate on the budget, so it is with a great deal of interest with which I will be observing the government leader and his performance, and his grasp of the fiscal responsibilities that he now has on behalf of Yukoners.

We have a minority government tabling a money bill, a bill which will give it the legal power to spend money, some \$107 million, until they can get together a 1985-86 operating and maintenance budget and table it in the fall. I would have no problem with waiting and with approving this \$107 million, if I had some confidence in the government opposite and in the members opposite, particularly in the government leader.

The government leader has demonstrated a reluctance to call the House into session, a reluctance to give the members of the opposition the opportunity to question and to show some confidence. Not only did the six opposition members have to force the government leader to call a session, they also had to demand an opposition day. The government leader wanted a short two-day session. We had to demand an opposition day and a week session.

This is a minority government asking for the confidence of the House, and the confidence of Yukoners, but they have demonstrated too much reluctance, which makes Yukoners very suspicious.

The Yukon public waited in eager anticipation to hear the Throne Speech and the budget speech. Well, there are not enough adjectives to describe what we got. How many times I have heard the government leader, as the leader of the official opposition, refer to things that the Tory government tabled in this House as garbage. Garbage. What is this? The Throne Speech, this fluffy Throne Speech, this fluffy budget speech? There are not enough adjectives to describe the public disbelief and astonishment at the brevity of these speeches, Mr. Speaker.

The government leader is well known for his abilities to go on and on and on. We certainly had anticipated something with a little more substance in the Throne Speech, and I think Yukoners are entitled to that. They definitely got it when he was in opposition. As opposition members, the present government had lots of plans. ²⁸ So, I ask now, where are all the great NDP recovery plans that were packaged and ready to go. He tables this Throne Speech and budget speech, quoting from stats, stats that were probably done by a government department of the previous Tory government. No substance to it, no evidence of policy, no evidence of economic planning, no evidence of how to get Yukoners back on their feet.

If the government leader was so concerned about the economy, he would be doing something about it now, not trying to get away with some five-day fling of a session while he gets his act together. I ask you, what are they doing? We should be sitting all summer, not five days. What are they waiting for? Are they waiting for another person to lose his job? Are they waiting for another business to go bankrupt? Or are they waiting for another family to leave the Yukon? No, they are waiting for a fall session to tell us their great plans.

And where does the government leader get off on hiring a group of political hacks and making patronage appointments at salaries of \$41,000 and \$78,000 a year? The government leader has an opportunity now to be Santa Claus and it is definitely Christmas-time for any NDP sympathizer at the expense of other Yukoners.

We will be asking many questions about the budget on this side of the House; about the interim supplies; about the government's ability to spend this money and about their ability to decide how to spend the money.

There is only one opposition party and that is the Conservative

opposition. Today, I heard the leader of the Liberal Party say that the Liberal caucus is in concurrence with the NDP decision. I think we are going to hear a lot of that in this session. The Liberals will not be asking any questions for they are simply an extension of the government, like a couple of backbenchers.

We, as opposition members, are going to make this government accountable to the Yukon public because they deserve that. We are not going to rubberstamp their authority to spend money even if the two Liberal members are prepared to do that. Where is all this public consultation that the government leader talks about? I have not seen any evidence of public consultation. We have here a bunch of phony intellectuals who sold the people of Yukon a bill of goods during the election campaign that they had all the answers. Well, where are those answers? We are not going to wait until the fall session to find out the answers because we are not going to allow this government to spend \$107,000,000 of Yukon taxpayers' money without giving us some of the answers now.

Mr. Philipsen: I enter this debate to ask some questions of the government as to the spending of this amount without disclosure and a break-down of the dispersal of these funds. If this is an open government, why are we all in the dark? Where did the money for the Hahn fishery come from? That is probably the question most asked by people in the private sector who are struggling to make ends meet. Can these people expect to take some of the same type of treatment if they should arrive on the government leader's doorstep? How deep is the pot? Where is the pot? Will the wizards in cabinet conjure up more money from who-knows-where, and distribute it, willy-nilly, to the squeakiest wheel? How many department programs will go under-funded as a result of this type of irresponsible action?

In the past, Mr. Penikett, then opposition leader, took issue with the disproportionate size of the ECO's funding. At that time, he was taking a shot at our expense for the executive assistants and his staff. One cannot help but wonder that if his criticisms were accurate, and I would not doubt his sincerity, then surely the same criticism is applicable today, only to a greater degree, with the now inflated salaries being received. It is strange that the principles can change so quickly when power is attained.

Applause

Mr. Lang: Mr. Speaker, I rise to speak to the bill from a number of points. First of all, I want to begin by thanking the constituents of Porter Creek East — and I am sure the members opposite will as well — for returning me to this House. I want to thank them for my being part of the government for 11 years. I return here obviously in a different role. Perhaps, with a sense of humour, I can say I am going to take a great deal of delight in seeing the government leader respond to questions that he, in most cases, will not be able to answer, or in some cases, will have flip-flopped on, as expressed earlier by some other members, depending on the issue, depending on the policy, depending on the day, and depending on his disposition that day.

I want to say, as a member of the previous government, and I want to harken unto the words spoken by Mr. Phelps, we left the government in good, sound financial shape. I want to say as a legislator, and in my role as a cabinet minister, I am very proud that I took part in government for 11 years, and when I left the government benches, I can honestly say we turned over the reins of authority with a good, sound financial base. As the leader of the official opposition has outlined, formula financing was negotiated by the Conservative government.

We made major steps forward, constitutionally, and just as importantly, financially, as far as the commitments of the Government of Canada are to the people of the territory. We also successfully negotiated an economic development agreement which far exceeded what was offered by the previous federal government, an agreement that is going to be in the best interest of the territory if it is managed properly. I will be speaking to that later in the course of this debate.

I am also very pleased to say that I was part of a government for 11 years that has one of the lowest tax rates in the country. At the same time, we delivered programs to our senior citizens, to our youth, to all

people in the territory that could well be compared to any province in Canada and, for that matter, the United States of America. We did not have to take a back seat to anyone as far as the social programming administered by the previous government is concerned.

I also would like to draw your attention to the fact that this government, in concert with the Government of Canada, brought forward one of the largest capital budgets for the purpose of reconstruction of roads and highways in the territory. Between the Government of Canada and the Government of Yukon, we brought forward a budget of \$34,000,000 that is in the process of being allocated and spent in Yukon today.

I am very concerned with the lack of initiatives that were taken by the members opposite. I want to give them one kudo and that is that they have fulfilled the Conservative commitment for fuel tax exemption over the course of this session. I ask the general public, and I ask the members opposite, what other initiative has been brought forward by the members opposite other than "they don't know", "they are not sure" and "maybe in the fall"? I do not think that there is any question that we are a territory-in-waiting.

We have a budget figure in front of us, for which approval is being asked, of \$107,000 — \$107,000 with a government that has been in office for two months, a government leader who took great delight in telling the populace of the territory that his front bench was comprised of five veteran legislators; five people who have, over the course of years, gone through budgets year in and year out. Well, the fact of no experience does not wash. The fact and the reality of it is that the framework of a budget was constructed by the previous administration. If there were areas of major disagreement, philosophically, politically or administratively, it would have been very easy to sit down in a two-day closed session and make those changes. But, no, we have a three-page document before us that says, "We want \$107,000,000; give us a blank cheque and we will figure out how to spend it".

³² Mr. Speaker, that is like letting a rabbit into a lettuce patch, and coming back in the fall and asking what happened to the garden. Mr. Speaker, I am saying to the members opposite that I expect some answers over the course of this session and I expect specific answers.

A number of programs are being presented that are being administered by the Government of Yukon and I want to know, and I will put the members on notice, what they are doing and why they are doing it.

Land development: I want to know what the Minister of Highways, Transportation and Communities is doing in that particular area. I want to know if he is going to change the policy if I get a rebate on my land that I pay development costs for. Is he prepared to say yes or no in this House, or are we going to get a maybe.

I want to know what is happening with the collective agreement with the public service of the Yukon, that has been under negotiation for four months. I want to know what the position of the Government of Yukon is going to be, what effect is it going to have on the little businessman out there, what effect is it going to have on the general labour force in Yukon. We are in a situation where United Keno Hill mines is teetering on the brink of closing down and the member for Elsa is sitting here learning about education.

Mr. Speaker, I want to know what the Minister of Renewable Resources is doing as far as North Slope development is concerned. Or are we going to get the answer: "I do not know, I need another three months".

We are a territory-in-waiting.

I am glad the member opposite woke up, Mr. Speaker, because the question will be coming. I would like to know from the Minister of Health and Human Resources and the Minister of Justice, if they are speaking to each other, what is going to happen to the young offenders facility. Was it part of the deal to give it to Mr. Coles? \$2.5 million was budgeted and it is not proceeding. That means jobs, Mr. Speaker, for people in Porter Creek East and people in Whitehorse West.

The member for Faro says "stay tuned". He is so busy being ready to vote, he would vote the whole sum now, he would not ask that question.

We want to know if, as the member for Porter Creek West has indicated, what is happening with the Hahn fishery? What is happening with other businesses that are struggling? What is the policy of this

government? What is the difference between a contribution and a grant? What is going to happen to the Loan Assistance Program or are we going to have a grab bag of the NDP and the public trough?

These are the questions that have to be put to the members opposite.

I can see why the member for Klondike did not give his maiden speech today, when I take a look at what is being presented. He is embarrassed. I would be embarrassed too if I presented something like this and put it forward after two months in office.

I can well understand the reluctance of the government leader in calling a session. This is an embarrassment and an affront to all members in this House. No wonder they are all looking down. I would too. They have come in here, Mr. Speaker, and asked — and I refer to Mr. Coles now — for your blessing of \$107 million with no explanation, no rhyme, no reason of how or where they are going to spend it. And you are going to vote for that? Is that responsible government, is that between the haves and the have-nots. The Liberal leader said, "No longer is it business as usual". I agree with that statement. It is the first time I have ever let somebody at my bank account and not ask them how much they are going to take out.

I beseech the leader of the Liberal party and his colleague from Faro to state their positions as far as this bill is concerned. I ask how much consultation took place with the opposition on this bill or was it just presented as "we know Roger will vote for it so who cares?" Is that the scenario we are playing? What a deal, Mr. Speaker. What a deal. One guy has four aces and the other guy has jokers.

Mr. Speaker, there are other programs that I think have to be seriously examined in detail. There is no reason the members cannot answer those questions. Programs such as Special ARDA. What are the policies going to be? What is going to be the direction of this government? Who is going to be eligible? What is the eligibility criteria going to be? Those are good questions and I expect answers.

We have an economic development agreement that was signed, as I indicated in the beginning of my presentation, between the two opposite governments. It is very advantageous, if properly managed, to the general public. The question is: is it going to be small getting smaller, as far as small business is concerned? Or, are we dealing with grants? Are we dealing with contributions? Are we going to have to be the friend of the minister to get into the public trough? Those are questions that have to be answered in the course of this budget debate.

We have heard the Minister of Government Services saying that he is going to change the criteria for the awarding of contracts. I would like to know what those changes are, and I think the public wants to know. Are we going to take away the tendering process and you have to be a friend of Roger's in order to get a contract, or is there going to be a tendering procedure, and if so to what extent? I caution the member; that is an area that has to be very closely monitored and closely assessed if the perception of government is not going to be one of pork-barrelling.

I know that the Minister of Justice, because of his background, would never ever tolerate that.

I wonder if this budget of \$107 million would fill this room. That is a lot of wheat, man, that is a lot of wheat, and I am not from the prairies. And the members opposite want me, as a newly elected member, to give it *carte blanche* in a two or three day session. Mr. Speaker, I am telling the members opposite, and am putting them on notice, that I would be totally remiss and irresponsible if I were to stand up in second reading debate and give consent to this bill. I beseech the government leader to put himself in this position: if we asked the same thing, would he, *carte blanche*, give a blank cheque to three pieces of paper for \$107 million.

Mr. Speaker, I have much respect for the government leader; he would be asking questions and he would not tolerate any government coming in and saying "Give us this and we will get out!"

We have discussed topics such as medicare, where the government leader has stood up and said he was not sure how he would make it work, but he would find the money somewhere rather than

in premiums. That is the Minister of Finance in this House — no wonder I feel nervous.

The member opposite cannot be serious in asking us to approve this amount of money with this limited information. I am sure the members opposite will be pleased if the saving grace in this whole debate during the Committee of the Whole is going to be able to ask questions. You certainly are not going to get this out of this paper. We are accountable to the public. We must know where those dollars are going. I am sure the government leader would agree with me that those questions should be asked. I am taking for granted that the government leader will fulfill his obligations as a legislator and as a leader of the government to ensure that he and his ministers get those answers to those forthright questions that were put forward to the members opposite. I am going to look forward to debate on this particular bill in committee. I am looking forward to a release of information and access to information that I am sure all ministers are prepared to present to us. Until I get some answers, we cannot support either the principle of this bill nor the contents thereof.

Speaker: It is my duty to advise the Assembly that the hon. member is about to exercise his right to close the debate. Afterwards all members will be precluded from speaking to this question. Therefore, any member wishing to speak should do so now.

Hon. Mr. Penikett: I want to say that listening to the member for Porter Creek East makes me positively sentimental. I had forgotten how much I enjoyed his outbursts, and I want to say how lovely he looks when he is pretending to be angry.

Listening to the members opposite this afternoon is a bit like being mugged by a flock of sparrows. The members opposite know as well as I do that interim supply is a routine measure. It is a measure brought in in exactly circumstances such as this to legitimize the spending of the government so that they can properly prepare the estimates.

The member who just spoke asked me to put myself in this position. Well, I have been in this position a number of times when we were going along in the estimates debate and suddenly the territory was in danger of running out of money and all of a sudden we needed an interim supply. The parliamentary traditions anywhere in the civilized world, out of the House, grants interim supply and then continues on with the budget debate. Members opposite know that.

The member opposite asks me to put myself in his position. I have been there. Let me remind him of the period immediately following the 1982 election. I have just asked for the Journals from that period. But his government came to the House immediately after the election, an election which they called in the middle of a budget debate, so there was no budget adopted for the territory. They called it about a month after the election; a government that was returned to power. In this case, we are talking about a government a few days more than a month after we were sworn in, asking for interim supply so that we can continue. On the occasion that we were on the other side after the 1982 election, the government leader and the ministers who survived the last election came and asked us to pass in two days —

Some hon. member: (*Inaudible*).

Hon. Mr. Penikett: Not four. Oh yes, I was in the conversations with the government leader. Do not let me suggest that the arrangements in which the member opposite was House Leader and I was House Leader did not, in fact, happen. I know very well what was agreed. I know very well what was contemplated. I heard references this afternoon to the shortest Throne Speech in history. I would ask the leader of the official opposition to take a look at the Throne Speech on that occasion in 1982. A Throne Speech which, like this one, given in this session, is a *pro forma* Throne Speech.

I do not claim to be terribly bright; I do not know about them funny things that Mrs. Firth was talking about — one of those pseudo intellectuals or phony intellectuals — I do not claim to be any kind of intellectual. But I can count and I have not a bad memory, and I do not forget. I do not forget what happened in 1982, which is an exactly similar situation to the one we are in now, except the opposition at that time was much more cooperative

and much more understanding of the needs of the government preparing itself for major debates.

I recall and remind you that in 1982 we called the election before the government had passed a budget. In 1982 they went through the election saying that they were not going to change a penny in the budget. Time and time again, they were not going to change a penny in the budget. They came into this House, made a financial statement that there was a major case for restraint. Now, I do not want to repeat the errors of the past. We want to move with some care in examining the programs, the policies and the budget that they put into place.

What we have before us are the budget plans, the spending plans of the previous budget. The members opposite want to know if we are going to change them. We will let you know when we have completed the review of that budget in the fall and we have told you the basis on which we will be retesting the estimates in my speech yesterday, which I do not claim to be a major philosophical statement or the manifesto of all that shall be.

It is a simple statement, asking for interim supply so that we can proceed. Now we have two options. We are respecting the traditions of the House in doing what the last government did after the last election. It is hardly inconsistency. If you want to change those traditions and not respect those traditions, that is fine. I am not that wedded to tradition, but our options are quite simple. We could have either proceeded on special warrants until we called the House in September, which we planned to do — if the members want to sit a long time, we will be here, probably until Christmas and perhaps even through the New Year — if you want to do that, it is fine with us. I am not going anywhere. Not even to play Santa Claus.

We could do that; we could adopt interim supply and come back as soon as we conveniently can in September with an O&M budget for the second half of the year. The only part of the year which we will influence, by the way, is the second half. Members talk about the spending here. Of the three months spending that has been made so far, two months of it was theirs. They controlled the spending until May 29, not us. Let us talk about the millions that they spent up until May 29. Are you going to vote against that? You already spent the money. You said you were going to vote against that.

There are some things which may seem very entertaining when we hear them from the other side, but they are pure nonsense. The members are suggesting this afternoon that somehow we spend a long time here defending their program and their budget, answering questions which they already know the answers to, things that we have not considered here. Now, if that is the preferred exercise, if that is genuinely what the members want to do, then maybe we should not even bother with interim supply. Maybe we should adjourn the House and come back and have a proper budget debate when we are ready with our own budget. But I am attempting to do the honourable thing and to do the thing that was done by the previous government: legitimize the spending of the territory by not operating on warrants, giving legal authority to spend until such time as we can come to the House, having reviewed the expenditure plans of the previous government, and reordered them according to our priorities. There will be an appropriate time for debate, as long as the members opposite want — as long as you want.

The member opposite complains that the money is spent. Yes, and half of the money that will have been spent will have been spent by the members opposite, and half by us. But, if the member was so concerned about spending propriety, the new government leader could have called the Legislature this spring, not an election. And we would have been over there happily asking questions. I have a member complaining about a PAC conference. I could not go to a PAC conference in 1982, because even though we had a session, nobody would even move the motion to create the committees. Do not talk to me about that nonsense. Everybody on that side knew about the conference. Everybody on that side knew about the conference when they called the election. I mean, let us have fun, let us argue a little bit, let us debate, but do not try to kid an old guy like me.

If we are going to give interim supply to the government and members have questions to ask, we will attempt to answer them.

But understand this: we have had no hand in crafting this budget before us. This is interim supply based on the estimates of the previous government.

We will bring the treasurer before Committee of the Whole to answer any questions. If there are documents prepared by the members opposite which they want to go through the phony exercise of asking us about, we will bring those documents before the House. We will do that. I will endeavour to provide all reasonable requests for information.

I sincerely ask that the members opposite take a look at the advice of the former government leader, the former Minister of Finance, our colleague and our friend who recently departed from this House, Mr. Pearson. Every time we got into substantial questions in interim supply, he warned the House that we were embarking on a major budget debate and that was not the purpose for which interim supply was granted. He warned us against that; he discouraged us from it time and time again, and we always thought we had the debates when we were dealing with the mains or when we were dealing with the supplementaries.

Later on, we have a bill which is a supplementary, which I am obligated to bring to this House and which the members are going to ask me about the spending in, but they spent every dime of it. If we adopt the model that is being proposed today, we are going to be in quite a ludicrous situation.

I am prepared to deal seriously and openly and as effectively as I can with the spending of this territory, and I am not going to be a barrier to any information. If it is proposed that we spend several weeks with the kind of debate the members opposite enter, fine, I am quite happy to adjourn debate, if that is what the members want. I will come back with an O&M budget and we might as well debate that, because I do not want to be spending a long time defending the budget of the members opposite. It may be offensive in some respects, but I am sure it is not in many.

I am sure the members have been enjoying themselves this afternoon, but there are certain very honourable traditions about interim supply, which I am sure, if they search their memories, or their *Beauchesne* or their experts, or ask Mr. Pearson, they will re-discover those traditions. The Conservative party, at its best, is a party of tradition and respects traditions. That is the purpose of interim supply. It is the purpose to give legal democratic authority to effect spending which we could otherwise do by special warrants until September. I do not wish to do that, because I like this place. In spite of the momentary diversions, momentary asides from intelligent and rational discussion we occasionally have, I really do like being here, discussing these things. That is why we are here now. That is why I present the motion, and that is why I urge its passage.

Motion agreed to

Bill No. 2: Second Reading

The Clerk: Second reading, Bill No. 2, standing in the name of the hon. Mr. Penikett.

Hon. Mr. Penikett: I move that Bill No. 2, *Fifth Appropriation Act, 1984-85* be now read a second time.

Speaker: It has been moved by the hon. government leader that Bill No. 2, *Fifth Appropriation Act, 1984-85* now be read a second time.

Hon. Mr. Penikett: *The Fifth Appropriation Act, 1984-85* represents updated year-end expenditure corrections and the variance reports that are prepared by departments and based on period nine, which is up until December, operating statements. These projects, when approved by management board, are consolidated into a supplementary appropriation for tabling in the Legislature prior to the fiscal year-end. The supplementary appropriation, when passed by the House, grants legal authority to the government for projected expenditures to year-end. Since the Legislature did not meet prior to the fiscal year-end this year, the projected expenditures contained in this bill were approved by special warrant in late March.

The Financial Administration Act requires that all special warrants be put before the next sitting of the Legislature following the signing of the warrant. Therefore, this bill is required by law in

order to comply with the terms of this act. This appropriation is, however, obsolete in the sense that we have now had actual figures, although they are not audited, for the 1984-85 fiscal year.

The expenditure projections contained in this appropriation act resulted in a net additional funding request of \$4,491,000. This sum included departmental contingencies of \$2,761,000. The unaudited actual results for the year now show that these funds were unnecessary excepting the \$400,000 for garage parts and fuel revolving fund, since the departments actually underspent the authority the House had previously given them by approximately \$10,000,000 in total. Audited final figures for 1984-85 will appear in the territorial accounts, which will be tabled at the fall sitting when the Auditor General has completed his audit of our accounts.

I have, in as dispassionate and expeditious a way as I know how, described this bill to you and I recommend it to the House for approval.

Mr. Phelps: It always gives me great pleasure to show and demonstrate how cooperative we generally are and like to be. It is a great pleasure that I accede to the requests of Mr. Penikett, on behalf of the opposition. It is with interest that I read and listen to the statements that prove the prudence of the previous administration. A \$10,000,000 surplus is something I am sure that we can all approve of. I certainly hope that the new government demonstrates the same kind of management expertise that has been demonstrated by its predecessor.

³⁹ Motion agreed to

Bill No. 5: Second Reading

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

Hon. Mr. McDonald: I move that Bill No. 5, *An Act to Amend the Municipal Act* be now read a second time.

Speaker: It has been moved by the hon. Minister of Education that Bill No. 5, *An Act to Amend the Municipal Act* be now read a second time.

Hon. Mr. McDonald: I speak as the Minister of Community and Transportation and Services. I am very pleased to be able to introduce an amendment to the *Municipal Act* with respect to the change of the term of office for municipal councils from two years to three years, and the next municipal election is to be held in November, 1985. The amendment is being undertaken following representation from the Association of Yukon Communities, and is fully endorsed by all municipalities. The amendment is, I feel, a recognition of the further growth of local government in Yukon and will enable municipal councils to concentrate fully on the business at hand over a reasonable period of time, rather than facing an election a short two years after taking office, as is now the case.

Mr. Lang: I rise similarly to the leader of the official opposition to once again offer our cooperation to the side opposite. I would like to make a few comments as far as the principle of the bill is concerned. I see that the president of the Association of Yukon communities, who was here earlier, obviously had to leave. I want to commend Mrs. Truska Gorrell, as president of the association, for carrying out her responsibilities to ensure that the government would be made aware of the importance of the principles that we are discussing today.

The representation to increase from two to three years dates back some time to last spring, I believe. The reason for the representation, as the minister indicated, was to try to achieve a little bit more stability as far as elected members are concerned. I want to say that when the proposal was first put to me, I was a little concerned and I had some reservations about going ahead with the increase from two to three year term, primarily from the point of view that it could well be a dissentive in the smaller communities for people to run to make a long-term, three year commitment as opposed to a two year commitment.

I think all members realize, especially the members for Klwane and Klondike, and maybe the member for Tatchun, who have served in the municipal councils of the territory in one capacity or another, that it is really difficult to get people to put their names forward for office. I think the concern that I have been expressing about whether fewer people would be prepared to put their name

forward for office if it is a three year commitment, may be a negative factor as far as encouraging people to take part in the democratic process.

⁴⁰ Just for the edification of the House, and perhaps for the media, I made some enquiries across the country — in fact, Ontario was the key province that I contacted — and they had, a number of years ago, gone from two to three years. The then minister indicated to me that he had the same concerns that I did when they introduced the change in the legislation and was very concerned about the ramifications to the smaller communities, especially in the northern part of the province. He was very pleased to tell me that his fears were unfounded, that the change did not appear to affect the number of people who were prepared to serve with the municipal councils and that it was also a positive factor from a point of view of making decisions so that long term decisions could be made by councils as the Minister of Municipal Affairs has indicated.

I wanted to close our comments by saying that we offer once again our cooperation to the members opposite. I wish the people who will be putting their names forward this fall for a three-year commitment, as opposed to a two-year commitment, all the luck in the world. It is a very difficult position that one takes, in these smaller communities especially at the municipal level when things are so close and the personalities are so close, to make the very tough decisions at times that affect people from either side of the community. We will give good and swift passage to the bill in front of us so that all political parties can carry out the political commitments that they made during the last election.

Mr. Coles: Just a couple of quick comments: when this was first made the policy of the Association of Yukon Communities, I was the vice-president and we have no problem at all with this. I would just like to mention that we should thank Mr. Murray Hampton as well as Truska for all the work they have done with regard to this issue.

Speaker: It is my duty to advise the Assembly that the hon. member is about to exercise his right to close the debate; therefore, any member wishing to speak should do so now.

Hon. Mr. McDonald: I do not have any lengthy comments to state in wind-up of second reading. I am sure that if there are any points of clarification required by the members, I would certainly be prepared to answer their queries as best as I can. I think it gives testimony to the fact that this government is putting forward good pieces of legislation by the fact that it seems that everyone who spoke to the bill this afternoon claimed parentage.

Motion agreed to

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Bill No. 4: Second reading

Mr. Clerk: Bill No. 4, standing in the name of the hon. Mr. Kimmerly.

Hon. Mr. Kimmerly: Mr. Speaker, I move that Bill No. 4, *An Act to Amend the Liquor Act*, be now read a second time.

Speaker: It has been moved by the Minister of Justice that Bill No. 4, *An Act to Amend the Liquor Act*, be now read a second time.

Hon. Mr. Kimmerly: This is a fairly simple bill containing basically two principles. Those principles are very well stated in the explanatory note. The principles are firstly, severely intoxicated persons should be taken into custody until sober and secondly, that people who are passengers in and who are driving a motor vehicle should not be consuming an alcoholic beverage while the motor vehicles are in motion.

The first principle, that of taking into custody severely intoxicated persons, has been in our law in principle for a very considerable time and indeed is a part of the law of all jurisdictions of the country. It is necessary to pass amendments to the old law because a decision of the Supreme Court of Yukon held the old sections to be inconsistent with the *Charter of Rights* or to be unconstitutional. No appeal has been taken from that legislation for the simple reason the decision was right and no appeal is arguable in a responsible way.

It is necessary to provide the constitutional guarantees that are now contained in the new *Charter of Rights*. The amendments will essentially do four things, three of which are things that the public

will rarely understand and the fourth is somewhat more technical and will apply primarily to police officers. Those four things are as follows.

In the old law, there was no definition of the word intoxicated. There was a judicial comment on the meaning of the word but there was no definition in the statute and it was held that the law was so encompassing or so wide, that abuses could occur and it is necessary to reduce the possibility of abuse and the definition of intoxicated is added. The definition has essentially three items. They are: that a person is intoxicated if they are a danger to themselves or others, or they cause a disturbance or if they are a nuisance. If a person falls into any one of those three categories, they would be legally intoxicated for the purposes of this section. It is a very much more restricted provision than the old law, as the old law spoke only of the opinion of the peace officer.

Secondly, there is a requirement that if a person is taken into custody, he or she must be released as soon as the person is no longer intoxicated, or as soon as some responsible person came along to take him or her into care. That is, it is an unusual category of custody in that if a responsible person takes charge of the intoxicated person, the peace officers must release the individual involved, and that is a very substantial protection to the citizens of the country, and an expansion of the rights and freedoms of individuals, which is entirely justified. It reduces any possibility of abuse inside the law.

There is also a change in the amount of time set as the maximum limit. The old law provided for custody for up to 24 hours. The new law is reducing that to 12 hours. Each of those figures are fairly arbitrary, however, it is the opinion of the government that most people who are incarcerated for intoxication are sober enough to be released after 12 hours, usually after one evening. In the very unusual event that a person was not, they could be arrested for something else, or perhaps hospitalized.

The fourth requirement is that the test that the peace officer applies has been changed. In the old law it was the opinion of the peace officer and in the new law the peace officer must have reasonable and probable grounds to believe that the person is intoxicated according to the definition.

I am pleased to emphasize that these sections will increase individual freedom in the Yukon.

The second general principle is about drinking and driving. It gives me some personal pleasure to stand here, after I have raised this issue in every single session of the Legislature during which I was a member, and propose this law. I hope that it is essentially uncontroversial. It is clearly demonstrated that drinking while driving is dangerous and it is not acceptable to the Yukon public. It is a restriction on individual freedom and that is regrettable as are all restrictions on freedom. In balancing the restriction on freedom and public safety, the response of the government is clear in this instance. We feel that the public safety has a greater public interest and greater public importance.

Thank you.

Mr. McLachlan: I have had at least some consultation with another high-ranking member of the Conservative party, who is not present here today, regarding some concerns that he too has on this bill. In principle, I wish to advise that we will be giving support.

Motion agreed to

Speaker: What is your further pleasure?

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

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

Motion agreed to

Hon. Mr. Webster: I bring to order Committee of the Whole. Being new to this chair, and not being familiar with procedures, with regard to the recess, I apologize for the short amount of time I allotted. Next time it will be longer, I can assure you.

Mr. Penikett filed a certificate to call the deputy minister of finance,

Mr. Finland, as a witness before this committee. Do all members agree?

Mr. Lang: Prior to the witness appearing, would it not be advantageous to discuss the principle of the bill and if we do have specific questions, we could proceed from there? Is that okay with the government leader?

Hon. Mr. Penikett: I have no problem in entertaining questions in general debate. I will try to deal with them as expeditiously as I can. However, I would be happy, in some respects, it is conceivable that I may appreciate the advice of the witness, since he is more party to the numbers in this bill than I am. If the member does not object, I am quite willing to receive the questions and if I have to refer them to the witness, I will do so.

On Clause 1

Hon. Mr. Penikett: I believe the principle of the bill is generally well understood by all members. To reiterate, the proposal is that, as is customary when a House meets after calling an election, or if the House, as might happen — and we anticipate this for the fall — this interim supply bill, for example, is until October 31. It is not inconceivable that if the House met in September and had not finished its budget deliberations by the end of October, you will get another request for an interim supply bill to carry you for a month until the budget debate.

The purpose of this bill is not to facilitate a budget debate but is to allow the government to operate until such time as it can bring its estimates forward. The schedules in the bill, as you know, are representative of the way in which this money is acquired. The second part is money that was previously approved by special warrant as expenditures for the period April 1 to August 31 of 1985 and are included in the sum of \$107 million for 1985 appropriated by the act. The Schedule A outlines the total amount of the bill. I said Schedule B is the second amount because we are required by the *Financial Administration Act* to, with any warrant which is issued by the Commissioner, to come forward with a bill and give, after the fact, subsequent legislative approval to the spending authorized in the warrant. It can be either by supplementary or, as you will see, the Schedule B of this act is money that has been previously approved by special warrant. It was not a special warrant by my government.

Rather that get into a discussion of particulars, let me entertain the questions from the members opposite and leave questions that are of a technical nature, or have to do with the way in which the particular numbers were constructed, to the treasurer.

I do have some information here which, depending upon how members want it, I can provide to the House. It is with respect to the proportions of the budget which is proposed here. As I outlined in my second reading speech yesterday, I indicated that even though the period of time that we are covering is only seven-twelfths of the year, because the spending volumes tend to be higher in the summer months, which is traditional in this government, the allocation appropriation is for 66 percent of the total spending. But I think it will probably be easier to respond to particular questions on that and give the details.

Mr. Phelps: I would like to direct my opening remarks to the main issue before us. That really has to do, it seems to me, with the intentions of the new government with regard to policy. It seems to me that, if on the one hand, the new government leader is saying that they have taken these figures which were prepared by the previous administration — actually the one before that — and that they need some breathing room to carry on functioning as a government and that they do not really intend to initiate any major policy changes, they simply want time to develop a package to present to the Yukon public, we may not agree that they need as much time as they are taking. In fact, we know that we do not agree. But, if the intention simply is to follow along the policies that were in place, and one justification for that being that these figures, these estimates naturally are based on those policies, then, if your answer to that question is in the affirmative, I am sure that it will save all of us a great deal of time.

Hon. Mr. Penikett: I say, in general terms, the answer is affirmative. Let me not be dishonest and express the caveat which has to be there: First of all, I understand his position and his

difficulty in this, because this is not a situation where we simply change positions immediately after an election. He was, in fact, not the Minister of Finance who prepared this budget. It was, in fact, his predecessor, Mr. Pearson. He is in a kind of, if you like, purgatory — neither in heaven nor in hell — on this question, because he, himself, is not the author of it even though some of his ministers may have had some input.

The general answer to the question is yes, but let me try and explain how I have, and cabinet has, embarked on the process of looking at the budget. We could have done what has been done in the past; simply brought the previous government's O&M budget to the House and then tinkered with it during the year and finish up the year as we have traditionally done in this House, with a pile of supplementaries, which would have been dealt with after the fact. That is not the way I would like to do things as a general rule. It seems to me that we get perilously close to budgetary fiction in terms of what the actual expenditures of the government.

We plan to take the spending plans of the previous administration unchanged in major respects for this period, but a call letter has gone out to the departments to do two simple things. I believe I have indicated my intentions to the leader of the official opposition. "One, retest every single item in terms of its local employment potential. That is not for this budget, but for the period of the O&M budget that we will bring in in the fall. Retested also for local materials potential understanding, of course, that within this total budget at best there might be 20 percent of discretionary spending. Twenty percent not that we can put in or take out, but 20 percent within which there are individual items which we might be able to enhance the local employment or restrain it if they have a negative effect on that criteria.

None of those changes will take place prior to us bringing in the O&M in the fall. The call letters have gone out to retest the numbers for that second half of the year, for that five months. There are changes in policy that we want to bring in that will leave our imprint on the budget that will not take effect until the second half of the year, the five months of the year that are left. Those proposals will be brought to the House, hopefully, in September. It is only that half of the budget over which we will have any effective inputs. The basic budgetary allocations, or the basic spending plans of the previous administration, will operate until such time as we can come to the House in September with our amendments to those plans. I do not delude you. It will be no more than amendments to those plans, because with more than half the year gone, you cannot totally reorganize the priorities of the government.

I said to the leader of the official opposition that there was one caveat and I think I must be perfectly frank about this. That is the problem of Cyprus Anvil. We do not know, given that only yesterday we received representation from the company, about ten particular matters which they have seen as unresolved, which the federal government, in the main, but also the Yukon government will have to deal with, some of which may have financial consequences. My preference would be not to conclude any final agreements that have financial consequences until they could be represented in the budget of the Yukon Territory and brought before this House. However, as all members opposite understand, the situation of the company is that its letter of intent and its arrangements must be concluded by September in order for it to get into the market for zinc. They want to begin operating the mine now. There may have to be some decisions made by this government. Earlier on there were criticisms that we had not made decisions. My preference is to make the decisions, but my preference is to have those decisions accountable to the House and have the approval in the House. But that is the one problem. It is conceivable that, at the time we bring in the O&M — because that will be based on the principles or the tests that I just talked to the official opposition leader about — there may have to be some kind of supplementary initiative. I do not know if that is the instrument, but there may have to be, which would be required in order to get the mine open. That is the one caveat to my answer to the member's question, which is yes.

"Mrs. Firth: I appreciate what the government leader is saying about following the same pattern, that the budget guidelines have

already been set out but we are going to be granting legal authority for the government to spend money for up to five months. I appreciate also what he is said about the call letter that has gone out to the deputy heads regarding the priorities of this government obviously being, or it would not have been put in a call letter, job creation, local hire and local purchase.

As a member of the opposition and representing some 1200 hundred constituents, I want to be able to tell them what the priorities of this government are. Say you made a decision within that five months that you were going to meet your priorities, the possibility of a trade-off within funding and allocation of dollars may happen. Now, for example, if within the Department of Education they came forward with some project that had a tremendous potential for job creation or local purchase or something, how are you going to determine where the funds are going to be? Are you going to come back with supplementaries? How are you going to make that decision if we do not know what your priorities are and what the policy of the government is going to be, and in what direction they are heading?

Hon. Mr. Penikett: Let us understand two things. We are talking about the capital budget. The capital budget which we are operating on was adopted last fall. Okay, so there is a capital budget in place and this fall we are bringing in a new capital budget for the next year which will be 1986-87, which hopefully our priorities will be represented some way in that. We may get into this in some discussion in committee on the specifics but, as the member knows, we have a particular problem with the number of capital projects, in that they have tenders which come in way over budget so the government is going to have to make some hard choices about which ones may go, which ones may not go, whether we can spread them over two years, whether we can reallocate funds, redesign, retender, you know all the options.

But, with respect to this budget, there will not be any major changes in spending plans of the government for the period until October 31st. It is the previous spending plans which will remain in place. Now I cannot say if, for example, the fallen minister's former plan to buy, let us say, a piece of equipment X and we are now apprised of the opportunity to buy a piece of equipment Y which has more local profit input given that the purchasing decision has not now been made, that the new purchasing decision within your budget will in effect not be respected; I think it would be. But I do not see that as a change in the budget. That would be simply a subtle change in purchasing policy. So my view is that the budget of the previous administration, this Income Supply Bill, is based on the spending plans of the previous administration and it will operate until we can come back to the House with an O&M 1985-86 budget which we have retested, item-by-item, for local hire, local materials and benefits for the Yukon economy but which will, let me be frank, still, in the main represent, in broad principle, the spending plans of the previous administration.

"I admit freely that, at best, we will have impact on perhaps 20 percent of the budget and not to raise or lower it 20 percent. But 20 percent is allowable. Even with 20 percent, it will be on item-by-item basis that we may be out because something we may believe to be enhancing local employment in one area, another because it is a drain on the economy and another, in fact, will restrain that expenditure. But none of that will happen. It will only be reflected in the O&M mains that we bring in the fall when we convene. I hope that is clear.

Mrs. Firth: I wanted to get a little more specific in general debate about policy. Within five months of spending — we are anticipating five months because the time does go until October 31st — I would anticipate that a new government would have the opportunity to make some expression in the way it spends its money and in the way it carries out its fiscal responsibility it would give the public of Yukon some general idea and expression of their ideology or the direction they are going to take Yukon in.

Am I to understand that the government leader is saying that we will not be giving any of that expression, that it will be just the same direction as the government has been going in and that the past budget was set in?

Hon. Mr. Penikett: The answer to the question is this: given

that the money, by the time that we can bring in our O&M budget, before this budget is half spent, I want to be modest about what our impact on the remaining half year's expenditure could be. That is why the main reflection of our policy in the O&Ms that we will be bringing in in the fall will be with respect to our objectives in terms of local hire-local materials policy; those two things. In other words, all the expenditures will be retested by those two criteria. My view was that if we try to have ten priorities, ten policy objectives and try to have the budget retested or realized by those questions, we could not. It would take us too long to do that with success.

You understand that at this moment now, we are not that far away from beginning to go through the process that the previous administration just went through in terms of developing our plans for 1986-87 O&M. In fact, that will have a major reflection on our policy now. The minister is asking whether there will be any statements or expressions of this government's policy. In the main, I have already — not in this House — given a number of public statements including the speech to the Beaufort Industrial Group and the speech to the Chamber of Commerce, and my colleague, the Minister of Renewable Resources, gave a speech to the Vancouver Board of Trade. It was very much consistent with and reflected the expression of our views during the election campaign and which are still the economic priorities of this government.

However, I will be perfectly frank in saying to the House that all those plans cannot be implemented until such time as we come to the House. They cannot even begin to be implemented, I would guess, in large part until we come to the House next spring with our mains. There are some things, for example, — and we will get into this in terms of the Minister of Economic Development's former department — where he will know that there are a significant number of vacancies and, in fact, they have gone through reorganization. In order to begin to do our things, we are beginning to develop plans to put our programs in place.

In fact, we will begin to come to management board. The members opposite know the process. We begin to say we want to structure the department this way, that person is going to have to be this way, and so forth, and so forth. Anything we are doing right now is within the budgetary allocation as best as we can with the old dollars which were previously established by the former government.

Mrs. Firth: That is exactly my concern as a member of this Assembly. Because of the ability of management board to reallocate funds, to reallocate person-years, I, as a representative of a constituency in the Yukon, do not have a clear indication of where the government leader is coming from, what his policies are and which direction he is going. Now he has made many statements about the economy and economic renewal and the desperate situation that we have with the economy, but I have also heard some of his colleagues make some very strong statements about social programs and the social aspect of government and the delivery of social services. I would like some indication from the government leader about the balance.

I recognize that certain decisions have already been made in management board, for example, the Hahns fishery, that the member for Porter Creek mentioned. That would have been a management board decision, and I understand how the money was allocated, and the terms and the conditions of the grant and so on. However, how am I to feel if I am making a decision responsibly on behalf of Yukoners, by approving that funding if I cannot get a clear indication from the government leader of exactly what his policies and direction are.

Hon. Mr. Penikett: Mrs. Firth, the main priorities of the government are, as I have stated them, are jobs and economic development. It is not that we have no social policy considerations; we have to make choices and the priorities we chose are those. Now, there are also some, if you like, projects which have a profound impact on those other questions, which are not strictly budgetary questions. For example, the reopening of Cyprus Anvil. I take it as absolutely critical in terms of the achievement of those other two goals, because it has other prime indications, including some social policy ones, particularly as it impacts on the

community of Faro. Likewise, restarting the land claims negotiations, while not having profound financial impact in this budget, is clearly a priority of this government, even though it does not have a budgetary impact of, I expect, great significance until such point as you get close to contemplating settlement.

Now, let me give the member an example. One of our commitments during the campaign, in economic development priorities, was the idea of the one stop business shop, which you heard talked about. We are developing plans to do that, and they will be announced at some point, if they have a permanent financial implication. The member talks about person-years and new budgetary proposals in terms of that. That will be reflected in the O&M budget that we will bring to the Legislature in the fall.

Mr. Lang: If I could follow up a little further on what my colleague is getting at and, perhaps, ask the question in a different manner. First of all beginning by saying I want to welcome the Chairman to the Chair. I wish you all the luck in the world. It is a very difficult task you have undertaken.

Our concern is basically that there is no major departure from present policy unless it has previously been agreed to by the House. In our raucous debate earlier, between the government leader and myself, you gave the impression to a great extent that this was our budget that we were passing, the previous Conservative budget. Now we are back to reality and the government leader will agree with me, that that budget that was being put together as we were the government until May 13, and a caretaker government until May 28, while you were getting prepared to assume the responsibilities that you had been invested with by the electorate.

The concern is after May 28. I have no problems with dealing with two bills. Up to May 28, I can stand and justify the expenditures to you and we could go through that exercise. The concern that we, my colleagues, myself and the leader of the official opposition have, is how much of a carte blanche are we giving to the government to make significant changes to the framework of the budget that had been laid out. Now the leader of the official opposition, and I am not saying this in a disparaging manner, and take it in a constructive manner, talks about 20 percent allocations. Twenty percent in this budget is a lot of money. I think the government leader would agree with me. This is the concern that I have, as an elected member. There are other areas that I mentioned; the fact that the Young Offenders has been delayed. I know and I want to say that I have sympathy with the front bench here, with respect to the way some of these contracts are coming out. I want to assure you that it was not foreseen by anyone that the prices were going to come in at what they were at. The year previous, and I think you will recall, we were under in most of the contracts that were called. We are back in that situation and I recognize that hard decisions will have to be made.

I guess the assurances that I am looking for as a member of the opposition, and the elected member for Porter Creek East, is just how much flexibility does the government leader assume that he has prior to coming in with a budget and getting the required mandate from this House. Especially in view of the fact that it is a minority government. I think that the member opposite would concur with me. It is a much different situation than it was in 1982, where you had a budget presented to the House, perhaps not passed but the framework was established, and then interim supply was requested. I do not think that the similarities that he harkened back to are totally accurate as far as the present situation is concerned. I think the member opposite would agree with me that we have a requirement to ask these questions to see the direction that the government is going. I would like to see what assurances, I guess, that the government leader and the front bench will give as far as policy departure and the allocation of dollars.

I just want to make one other point before sitting down. When we talk about medicare, which was raised earlier in debate, that is \$2 million. Is that going to come under this \$107 million? You have the fuel tax, that is \$800,000. Is that coming out of working capital? Are we eliminating programs? If we are, what are they? All these questions have to be asked, because these are initiatives that are being taken and would be part of the framework of this budget that now you are responsible for and not me.

Hon. Mr. Penikett: The member of course knows me as a sort of slow-witted, kind of fumbling sort of fellow and I will do my best. It is easier if I get one question at a time because I can sort of deal with that. When there are several — I think I counted seven there — I am not sure I remember them all.

Are we being asked to give a blank cheque? No, in fact, what we are talking about is a cheque which has been signed by the previous administration which has been endorsed over to us. The global numbers are not changing with respect to departments. We expect the normal seasonal operations and spending.

The member uses two examples that I picked up, Medicare and fuel taxes. Previously today I said that we are going to look at the question of Medicare premiums. He and I were in the house when that fact was furiously debated. I think prior to the 1982 election question, Medicare premiums were raised but I do not think there was much debate between 1982 and 1985 on this question at all. In answer to a question in Question Period today, I answered questions about the intentions of that. We are not going to do anything with Medicare premiums that takes financial effect until such time we bring in a new budget and I cannot even guarantee that it will be done in the fall. I said we were doing a revenue review with the purpose of not changing — with the exception of the fuel tax — the revenue situation prior to us coming back with the main estimates in the fall or in the spring.

It is one of the reasons why, rather than being a bill on the fuel tax thing in isolation from a total budget policy, we proposed the remission which will last until the end of the year. Which will allow us if, upon examination, this precise elements in the remission should be enshrined in legislation. They will be presented as part of the total budget policy which will reflect the economic policy of the government this fall.

The member from Riverdale South, Mrs. Firth, talked about the role of Management Board. As she knows, in the previous administration and in all administrations, the main decision were made by Management Board, which in some way have to subsequently find their way into the estimates. In fact it has often been the case in this House that they came the way of supplementaries. For the most part what we are talking about doing, in terms of the main here, is our influence on this year's budget in terms of moving dollars within the total allocation, will take place in that last five months of the fiscal year and will be expressed in an O&M budget which we will bring to this house in the fall. Let me make one last comment about 20 percent. Perhaps I should not have thrown that away, because I think I may have caused the member for Porter Creek East to be alarmed. When I am talking about the 20 percent, I am saying that there may be 20 percent of the total budget that may be subject to the influence of questions increasing the impact of local employment or in fact increasing the supply of local materials.

Most of it is not subject to that kind of review at all. If you look at the salary commitments of the public service. If you look at the ongoing service of contracts and so forth. The 20 percent of it may be. That is the best. Within that 20 percent that means there may be some items about whether we contract with somebody in Porter Creek to make us pencils or whether in fact we buy them from some local supplier or have them made somewhere else; whether we can look at getting something such as if there was any possibility of getting wooden computers as opposed to getting computers made with the normal stuff computers are made of. I guess the only wooden computers you could get would be an abacus, but I guess we are not going to be using that.

It is that kind of question as to whether we can look at those particular items, whether there are opportunities there, within those spendings, to get an increase in circulation of dollars in our economy and to try to plug some of the leaks that are quite massive in terms of the economic accounts of this territory. I have no illusions though and that is why I am asking that the budget be only retested on two accounts. Major changes on that score will take years to take any effect. But I think the first chance to have a real major chance to do that is in next spring in the mains.

Mrs. Firth: I remember very clearly how offended the member for Whitehorse West was, as the leader of the opposition, when he

got the impression in the last sitting of the legislature, that there were decisions being made about allocations of funds without the legislative authority. I believe the accusation was made that cabinet was making these decisions about spending money and they were, in fact, not coming to the legislature and getting the proper legislative authority to spend the money, and then we were bringing it back and forth in supplementals and asking the House to rubber stamp this spending and they had had no input or opportunity to debate this situation. So I am not trying to be confrontational, I am simply taking a good point that the member had made and applying that to myself as a member in opposition, particularly in light of the fact that I have had a lot of questions put to me in my constituency by constituents who are concerned about money that this government is going to spend.

Now, with five months of spending, with the ability of management board to make decisions and allocate funds, perhaps moving from the policy that the government has had in the past, and various potential policy decisions can also be made on matters before us at the same time, and perhaps with new ministers and new members this could be done unconsciously, without the members being totally aware of it. I would like to have some reassurance from the member, because I know he has now said that he is going to have priorities that the government will be following. They will have policies that they will be following and now he is mentioned another term project. He has said that Cyprus Anvil would be considered a project and I imagine something like NCPC or any agreement that the government wanted to enter into in that would also be considered a project. Medicare premiums and fuel taxes he reassured us would not be identified until his next budget. However, there may be some bending, or whatever, to accommodate his promises to the public. My concern is that I do not know what the government leader's priorities are or his policies are. Therefore, I do not get any idea of the direction that the money will be spent in and how the decisions are going to be made. Perhaps the government leader could enlighten us on how the decisions are going to be made and how the funds will be allocated and what the priorities will be, should there be a conflict or two projects that came in from the same allocation of money.

Hon. Mr. Penikett: I have tried to give broad parameters on what our policy will be. What I am trying to explain is the situation of the management board now.

Shortly, management board is going to have to be going through the process of drafting the budget. One of the things that we will be looking at, as you know, in the five-year capital plan is what our priorities are for the capital budget for next year. This is a continually evolving five year capital plan. Management board will be looking at that very soon. That would be the first chance this government really has to give expression to our priorities in terms of capital projects. Because we are under the priorities of the previous administration right now. Management board does now, and will have to in the coming weeks and months, deal with problems of projects coming in over budget. It is a purely practical matter of the government in operation. One of the choices we have with respect to any particular project, and these will be made public and it will be subject, unfortunately after the fact I guess, to some reflection by the House. If we get a project A which comes in 25 percent over budget, the members opposite know the choices as well as I do. We either have to dip into some other source of money within that same department or same allocation, or we have to cut the project back some other way, or delay it, or renew the options. Management Board is going to be faced with those choices in the next few weeks.

I cannot promise the member that there will not be supplementaries to this budget. There will be, and some may conceivably require capital supps particularly as we are required by law. If I remember correctly, if we are moving money from one vote to another, that will have to be approved in the legislature. If we are proposing to do that, we will have to come back and have that approved by the legislature. I am not sure that has much bearing with respect to capital projects, which I take to be the member's more serious concern, if I remember correctly. In terms of programs in the government, I do not know what anybody in the department is

actually contemplating. The programs will all be reviewed as part of the process of us coming to do an O&M budget in the fall. Some we may want to expand and some we may want to curtail. Some, conceivably, we may want to retire. There have been no decisions of any great consequence taken yet. The process of call letters have gone out to the departments to retest the budget the way I have suggested. The O&M budget, that results from that testing, will be considered by Management Board at some point. We will come to the House in September with the O&Ms that reflect that retesting of the expenditure funds. In the meantime, we are beginning to get our heads around the task of doing the first full year's budget, over which we will have some influence. It is the one which will be presented to the House next spring.

Mrs. Firth: I have one final question. I just want to express to the government leader that I am concerned both with the capital projects and with the O&M money that is being allocated. Perhaps in general debate I could be more specific then and ask about the decision made about giving the conditional grant to Hahn Fishery. Where does the government leader put that in his category of 3P's, priorities, projects, policies. Maybe that will give me a clearer indication as to how this government is going to be making decisions when it comes to the allocation of dollars.

Hon. Mr. Penikett: Let us talk about that one. That is not a grant but a contribution; the difference being contributions are tied to conditions. It is a conditional grant, if you like. That item will find its way, of necessity, as a line item. I would like Mr. Fingland's confirmation of that.

I have stated to you the situation in terms of jobs and economic development as general priorities. There were a number of jobs at stake in respect to that project. There is a part of the economy, the commercial fishery and the Dawson City economy, which is also related. We also, in Management Board and in cabinet, made a decision that the funding of this was partly related to our position in the negotiations in respect to the salmon treaty. Our ability to demonstrate there was a viable fishery and a viable industry, or the potential for that, was very important in respect to our bargaining position, such as it is, and it is not that great now, in respect to those talks. There was an expression of government policy there. We did not have the luxury of waiting until the fall, because that plant would probably not have been operating this summer. That is not a project in the sense that would be an item in the budget when it comes before the House. I would have to check my own information to know whether that came out of existing allocations or whether that had to be a supplementary.

We will have to make some decisions in Management Board as we are going along. We continually get items coming to Management Board. We made a decision very early that any item coming to cabinet that had financial implications had to go to Management Board first, which has not always been the practice, I gather, in the previous administrations. Some items that had financial implications could be walked into cabinet. I am discouraging that enthusiastically. There will be times when matters that may come to cabinet will have to be deferred back to Management Board because they have financial implications. That is, if the Management Board is to be a useful instrument, items that have financial implications have to be analyzed for their financial implications. There are a number of such items before Management Board now. In the end, though, such changes as we were able to impose on the spending of the government in 1985-86 will be reflected in the O&M mains, which will come to the House in the fall.

Mr. Lang: Mr. Chairman, perhaps the questions should be directed to the witness. I guess the question I have is how much flexibility in the \$107 million is there for the purposes of dealing with the Hahn Fishery? Are we dealing with a slush fund vote here, of \$10 million over and above what the main estimates would look like as far as working capital is concerned? Are we dealing with \$2 million or \$30,000? I guess that is the question. How much flexibility is there in this \$107 million vote? For such things as the Hahn Fishery — we will use that as an example — or an item of that kind, management board makes a decision that it would be over and above the \$107 million. I guess that is my question.

Mr. Fingland: The funds would have to be available within the

existing appropriations, pending the passage of the full O&M budget.

Mr. Lang: Mr. Chairman, my question is: over the commitments and the framework that has been developed through the department of finance and given the approbation of management board but not this legislature, how much money of this \$107 million that we are being asked to vote does not have any commitments, i.e. is there money for the public service if you have a two percent settlement, or no settlement, or a five percent settlement? I mean, how many of these dollars are available for flexibility to make decisions, or are you telling me from your answer to the question earlier that the government will not go about this vote authority at all through the consequences of special warrants from management board?

Mr. Fingland: I do not know whether or not the government would exceed these limits with a warrant, because a warrant at some point is something that may or may not have to be used, but once this is passed, the spending authority of the government is what is specified in this bill.

Mr. Lang: I know that, Mr. Chairman, but I guess the point I am asking is how much is there here that effectively is flexibility for the government to function and make decisions through management board in such situations as the Hahn Fishery, for example. Have we got \$2 million over and above legislative commitments like the Municipal Act, the municipal transfers, the home owner grant, all these things that are really legislated commitments — how much money over and above that does the government have for making major policy decisions and backing them up with financing?

Hon. Mr. Penikett: Mr. Lang, let me try and explain it in a way that would be different from Mr. Fingland. We are talking about allowing us time to get an O&M mains to this house in September. That means we are talking about spending authority which would take us, for practical purposes, through the rest of July and August and part of September. We are asking for authority until October 31, because I am assuming the budget debate will take a certain amount of time in the house, as it properly should. The question of the commitments of the government is a difficult one, as members who were in cabinet before will know, because there is not, in fact, in this government, a very good central commitment authority. At any given moment in time, until we get our new system in place, which we are trying to do, one would not be able to know what the commitments of the government are.

Let me just give the member an example. If you have budgeted in the estimates a certain amount for a project for a construction project for example, and tenders are over budget, you could say the government is committed to spend — just pick a number — say, a million dollars on this project, but bids come in at five, six or seven million. We have the problem of finding the money within this budget.

Mr. Fingland raised the possibility of warrants. I would guess that if there was some arrangement made with respect to Cyprus Anvil which would in fact cost us money, that in fact we would not conclude it until the eve of the house sitting anyway so if it had to be a supplementary over and above what is in the particular item here, it would either be reflected in the O&M mains or there would be a supplementary, or some other legislation.

Mr. Lang: I would put my question through you to the witness. I have pretty good information that the cash flow of this government is in a pretty good position. Perhaps you could give us the figure of what the cash flow is projected for the end of the year if you go with the present financial framework of your budget. You are saying, for example, that there is a substantial access to working capital if you deem those projects worthwhile. You have to agree with me on that.

Mr. Penikett: Mr. Chairman, I want to take that question as notice. Understand that I do not want to dip into the working capital because in fact I do not want it to disappear.

Mr. Chairman, in view of the hour, perhaps I could move that you report progress on Bill No. 3.

Motion agreed to

Chairman: The witness is excused.

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have the report from the Chairman of the Committee of the Whole.

Mr. Webster: Mr. Speaker, the Committee of the Whole has considered Bill No. 3, *Interim Supply Appropriation Act, 1985-86* and directed me to report progress on same.

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

Some hon. members: Agreed.

Speaker: I declare the Report carried.

May I have your further pleasure?

Hon. Mr. Porter: I move that this House do now adjourn.

Speaker: It has been moved by the hon. Minister of Renewable Resources that the House do now adjourn.

Motion agreed to

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

The House adjourned at 5:30 p.m.

The following Sessional Papers were tabled July 16, 1985:

85-1-2

Report of the Auditor General of Canada on "any other matter" for the year ended March 31, 1984 (Speaker)

85-1-3

Statutory Report of the Chief Electoral Officer of Yukon (Speaker)

85-1-4

Report of the Chief Electoral Officer on Contributions to Political Parties during 1984 (Speaker)

85-1-5

Yukon Public Service Staff Relations Board, Fifteenth Annual Report, 1984-85 (Penikett)

85-1-6

Yukon Teachers' Staff Relations Board, Eleventh Annual Report, 1984-85 (Penikett)

85-1-7

Report on Regulations: Oct. 5, 1984 to May 31, 1985 (Penikett)

