



The Yukon Legislative Assembly

Number 3

3rd Session

26th Legislature

HANSARD

Tuesday, March 18, 1986 — 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 Directorate.

GOVERNMENT PRIVATE MEMBERS

New Democratic Party

Sam Johnston	Campbell
Norma Kassl	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
Alan Nordling	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
Tuesday, March 18, 1986 — 1:30 p.m.

Speaker: I will call the House to order.
 At this time we will begin with prayers.

Prayers

Speaker: We will now proceed with the Order Paper.

DAILY ROUTINE

Speaker: Introduction of Visitors?

INTRODUCTION OF VISITORS

Mr. Lang: I would like to introduce to the House an individual who has spent a lot of time over the years in Whitehorse, primarily in the capacity as a member of the Arctic Winter Games on behalf of the Government of the Northwest Territories. Since that time he has been elected to the Legislature of the Northwest Territories. I would like to introduce to the House the MLA for one of the Yellowknife ridings, Mr. Ted Richard.

Applause

Speaker: Are there any Returns or Documents for Tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. McDonald: I have for tabling the Yukon Lottery Commission Annual Report, 1984-85, and the following documents regarding the Carcross-Skagway Road agreement, changes to the agreement, correspondence between Mr. McKay and myself, correspondence between Governor Sheffield and Mr. Penikett, the road agreement itself, and the technical addendum pursuant to that.

Mr. Lang: That is the final copy?

Hon. Mr. McDonald: It is up to the Alaskans.

Speaker: Are there any Reports of Committees?
 Are there any Petitions?
 Introduction of Bills?

INTRODUCTION OF BILLS

Bill No. 5: First Reading

Hon. Mr. Penikett: I move that Bill No. 5, entitled *Second Appropriation Act, 1986-87*, be now introduced and read a first time.

02 Speaker: It has been moved by the hon. Government Leader that Bill No. 5, entitled *Second Appropriation Act, 1986-87*, be now introduced and read a first time.

Motion agreed to

Bill No. 17: First Reading

Hon. Mr. Penikett: I move that Bill No. 17, entitled *Fourth Appropriation Act, 1985-86*, be now introduced and read a first time.

Speaker: It has been moved by the hon. Government Leader that Bill No. 17, entitled *Fourth Appropriation Act, 1985-86*, be now introduced and read a first time.

Motion agreed to

Bill No. 29: First Reading

Hon. Mr. Penikett: I move that Bill No. 29, entitled *Interim Supply Appropriation Act, 1986-87*, be now introduced and read a first time.

Speaker: It has been moved by the hon. Government Leader that Bill No. 29, entitled *Interim Supply Appropriation Act, 1986-87*, be now introduced and read a first time.

Motion agreed to

Speaker: Are there any Notices of Motion for the Production of Papers?

Notices of Motion?

Statements by Ministers?

MINISTERIAL STATEMENTS

Transfer of Northern Canada Power Commission

Hon. Mr. Kimmerly: As the chairperson of the government's working group on the transfer of the Northern Canada Power Commission to the Yukon government, I am pleased to report to the House on the progress made and the status of the negotiations with Canada on this important matter.

As hon. Members know, a Memorandum of Understanding with the hon. David Crombie was signed last November. The Memorandum of Understanding sets out the principles and process to be followed in the negotiations, and established March 31, 1987 as the deadline for the transfer. Our position has been well-publicized and I have no doubt that all Yukoners and Members of this Assembly fully support it.

Since November our officials have been working very hard on the negotiations. Our Cabinet and Mr. Crombie discussed the transfer at our meeting with him on March 4th last, and both parties expressed their pleasure at the great progress made and the confidence in each other's commitment to expedite the necessary approvals for the transfer.

03 The Government of Yukon has made a policy decision that the management of the transferred assets will be undertaken by a private operator on behalf of the Yukon Development Corporation. A call for proposals was made to four established utilities: Yukon Electric, BC Hydro, Manitoba Hydro and Ontario Hydro. I am pleased to announce that a letter of understanding with Yukon Electric has been negotiated and has been approved by Cabinet. This letter appoints Yukon Electric, a company limited to provide transition, utility management planning and advisory services to the Yukon government in connection with YTG's acquisition of assets and operation of NCPC. The letter also establishes a framework for finalizing a longer term management agreement with the Yukon Electric Services Company Limited subsequent to the transfer.

A major criteria for evaluating the management bids received was the proponent's plans for dealing with the job security and benefits of NCPC's existing Yukon-based workers. Specifically, the Yukon government will ensure that YESCL fulfills its commitment to hire the workers on staff at the date of transfer and to offer all new management positions created by the new manager to the qualified existing management personnel resident in the Yukon. The YESCL's commitment will cover, besides secured employment, guarantees for the continuation of all existing benefits. Our officials have had preliminary discussions with the employee's union and further discussions are scheduled. The Yukon government is confident that those benefits and job security could be enhanced.

04 **Mr. Phelps:** We are very pleased to see that this government has continued working on behalf of the Yukon with regard to the NCPC transfer, and they have moved along the time line that we had set up utilizing the same consultants. We are pleased to see that they do have an agreement in principle with Yukon Electrical with regard to management and so on.

Mr. McLachlan: I really am surprised to see why the Minister would be pleased to make an announcement of this nature, being skeptical of the number of details required for the transfer of the power commission to the territory. The agreement of the Ministerial Statement read by the Minister this morning has a hole big enough to drive a Euclid truck through.

There are very many things not told by this memorandum agreement. The Minister should be quite prepared to table correspondence, estimates and figures from the other three public utilities corporations that were contacted and, if so, what were the results of these agreements? I really feel that the announcement made by the Minister today is premature in relation to the parts that have been left out rather than have been expanded upon. We on this side of the

House really feel that this information is inadequate and we hope that very soon, through Question Period or through discussion in this House, the government side is willing and able to provide a wealth of information that has to be laid out before the people of the Yukon in order to see what they are getting.

Carcross-Skagway Road Agreement

Hon. Mr. McDonald: A few moments ago I tabled a number of documents pertaining to the Carcross-Skagway Road. Those tabled documents concluded extensive negotiations with the Government of Alaska to reach final agreement on the maintenance and operation of that important transportation corridor.

Although negotiations were rather more protracted than anticipated, I am pleased to say that we have secured an agreement that is extremely beneficial to both the Yukon and Alaska. Our position throughout negotiations has not varied from the principles established at the outset. Throughout the process, the Government of Yukon took a consistent, firm and forthright approach to the negotiations; however, we understood the concerns which the Government of Alaskan expressed and took whatever steps we could to accommodate their wishes and to encourage the cooperation of the private companies involved to provide the Alaskan government with the assurances they were seeking.

I believe that this latest agreement is an improvement over the previous version and is an agreement that is a good deal for both the Yukon and Alaska. I would like emphasize that this was not a Curragh road opening deal, although it is clearly important for that endeavour, but rather a deal to establish a Skagway-South Klondike corridor as a transportation corridor important to the Yukon's future. Businesses can now plan on the road being available on a long term basis and Yukoners, as a whole, stand to benefit from the decreased freight costs associated with the availability of this corridor. In addition to this, I am also convinced that the Dempster-South Klondike-Skagway corridor is, in the long term, the logical supply corridor for future Beaufort Sea oil development.

On the subject of the economic importance of the road, I am also aware of its role as a major tourism route. I will be ensuring that extensive consultations are undertaken with tour operators and the tourism industry to ensure that their concerns are addressed. The safety of all highway users will not be compromised for any price by this government.

05 I would now like to highlight the changes that have been made to the Agreement since it was last tabled in this Legislature. The previous draft anticipated the Government of Yukon sharing the incremental winter maintenance costs with the Alaskans by carrying out winter maintenance on the first six kilometres of highway into Alaska. In view of the concerns expressed by the Governor regarding the need for Alaskan jobs which result from this Agreement, we have agreed to revert back to the original concept of the Government of Yukon paying, in cash, 50 percent of the incremental costs faced by the Government of Alaska in providing winter maintenance on the Skagway-Carcross Road.

The previous version of the Agreement was for a term equal to the life of the mine. In the Agreement before you today you will see that we have negotiated the inclusion of a finite term of ten years. This means that if the mine should operate for an excess of ten years, our payment obligations with the Alaskans will cease at the ten year mark. If the mine should cease production sooner than ten years, our incremental maintenance cost-sharing responsibilities would cease at that time. Our incremental capital cost-sharing responsibilities will extend for three years after the cessation of ore shipments, but will not, in any event, exceed the ten year term of the Agreement.

A third new feature was the addition of a non-discrimination clause. This clause provides either party with the right to terminate the Agreement after extensive consultation if a private company involved in the shipment of ore from Faro to Skagway continually commits documented acts of unfair treatment due to discrimination on the basis of nationality. This clause was requested by the Alaskan government and in our view was in keeping with the spirit of the Agreement as it is related to fair employment opportunities for residents of both countries.

Mr. Lang: I rise today to say to the government that we are pleased at the end result that we have an Agreement. At least, an Agreement is being tabled in this House. Yet, at the same time, I think that it has to be expressed to all that I understand it has not been formally signed. It is still not an Agreement.

I want to begin by saying for the record that I have been denied access to this particular document by the Minister since March 12. As the critic, I feel that I have the right to this particular document, when the government took the liberty of putting forward a press release indicating to the public, very well publicized, that there would be an Agreement with the state of Alaska on the year-round opening of the Skagway-Carcross Road. The excuse given, so that the public is aware, was that it was being typed. The next time that they have a problem with typing, send it down to us and we will take care of it.

There are a number of areas in the Agreement that we can see problems with. One has been expressed by the Leader of the Official Opposition, which has to do with the maintenance costs on the American side, as far as a cap on expenditures by the people of the Yukon Territory to maintaining that particular part of the road by financing the State of Alaska. It is a very important concept and principle. It is one that, during the course of this session, we will get a great deal of detail on.

Another area of concern that we have is the question of safety as far as travel on the road is concerned. There seems to be two stories being told here. One, Trimac, the proposed operator for the particular trucking contract, feels that they are going to be running 24-hours a day. Yet, the Minister has given the authority to the State of Alaska, and also stated in this House, that that is not the case and that there could well be 12 or 18 hours depending on decisions being made. There is no question in our mind that it is going to have an effect on the viability of the trucking route in question.

06 In that particular case there should be, by now, after five-and-a-half months, an agreement in place. We believe that the government has been remiss in that particular area. Two major reversals have been made — as far as we know because we do not have the actual document, and I have to trust the Minister and his judgment. One is in the question of maintenance costs. Last session, there was common agreement on both sides of this House that we should go into a maintenance contract with the State of Alaska for that six kilometres of road because it would save us paying major capital expenditures to the State of Alaska, number one. Number two, we would find out exactly what the costs were going to be and we would not have to pay American wages versus Canadian wages. Take, for example, the agreement that was struck as far as hiring and wages by Trimac and Curragh on the American side of the border are concerned. The people of the territory should be aware this is going to cost us more money. I do not think there is any question about that.

The other area that is a major reversal is the point of going to a ten-year agreement. It is a major reversal by the government, vis-a-vis the information that we were provided with in this House. We were led to believe that this would be the truth, that there would be a finite period as far as the road opening was concerned. I should point out that the Government Leader at that time stated, page 303 of *Hansard*, October 28th, 1985, "Mr. Penikett: I have to say this again, we are not talking about 25 years, we are talking about seven years. The down-side risk for us was that if we agreed to a fixed term we would be stuck maintaining the road even if we did not have a mine. In evaluating these risks we decided that we would be smarter to tie into the life of the mine. If the mine, through no fault of its own for some reason, closes, we could cut our losses or expenditures with the closing of the mine." This is a major change in principal, Mr. Speaker, and the people of the territory should know that if that mine operates for one year, two years, we will be locked in for three years thereafter into the capital costs of the American side because of the negotiations of the Minister of Community Affairs. We were led to believe that that had been changed. Now a major reversal has taken place again, and the people of the territory will have to pay that, as well, because of the

negotiating abilities of the Minister of Community Affairs.

The other area that I wish to expound on for two minutes is the lack of agreement with the Skagway-Carcross Highway opening. Last summer, there were announcements emanating from the government that the agreement was there.

Speaker: Order. Would the member please conclude his speech.

Mr. Lang: In September there was an announcement that the agreement was concluded, and then in our Fall Legislature there was an agreement and it was going to be shortly done. Now, March the 12th, one day prior to the opening of this session, the Minister of Community Affairs finally says he has concluded an agreement that has not yet been signed. Mr. Speaker, he has been remiss in his responsibilities and the Government Leader should take him to task.

Mr. McLachlan: The situation today remains much the same as it did in October. We thought we had an agreement, we did not have a signature. Today, we think we have an agreement, we still have no signature and we do not have an announced date for signing, if it should proceed. The concern that I have is that yesterday in this House I asked the Minister if he did, could or would, transmit to Trimac the latest wishes of the Alaskan government on Thursday of last week.

⁰⁷ I am not entirely happy with that answer, but today as we had concerns expressed on the part of Trimac with their 50 percent reduced trucking hours last week, and as of today we have an expressed concern that it is on the virtual stage of pulling out of an agreement because of this. It is now incumbent upon the Minister to get the parties together — the tour operators and the trucking company — and immediately work out what can be done to keep that road open on a 24-hour basis. It is going to be virtually impossible to produce concentrates 24 hours and truck them 12, even if the tourist people only affect it three months of the year. That concentrate is needed in Skagway every hour of the day. It just will not work with 12 hours. The Minister must now address that problem.

Hon. Mr. McDonald: The Member for Porter Creek East and the Member for Faro, especially the Member for Porter Creek East and certainly the Member for Faro, have expressed a good deal of ignorance about the deal, and have expressed a large measure of outrage at what they perceive to be the terms of the deal.

It is true that the agreement is not formally signed. We have done what we can, as a government, to seek an arrangement with the Alaskan government. We have an arrangement in writing from the Alaskan government that they will sign the agreement. That is the most that we can do as a government.

The agreement was released to this Legislature as soon as we could possibly arrange it to provide as full as possible an accounting of not only the information contained in the agreement, but also associated documentation. It is a right that I will reserve, and will continue to reserve, to release documents as soon as possible in this Legislature to the benefit of all Members in the Legislature and to the benefit of the people in the media and the public.

Clearly, this is a principle that we have promoted from the beginning. We tabled a draft document in the Legislature. We have tabled now a document which has been agreed to by the Governor of Alaska in writing. That is a reflection of the openness of this government. That will continue to be the way we shall operate on an ongoing basis.

The absolutely artificial outrage promoted by the Member for Porter Creek East is absolutely hollow in that respect. I will look forward to discussing and debating in detail, both in Question Period — which is the Opposition's practice — and elsewhere, the terms of this agreement.

Appointment of Yukon Expo '86 Commissioner

Hon. Mr. Porter: It is with great pleasure today that I announce the appointment today of Pearl Keenan to the position of Commissioner of the Yukon Pavilion at Expo '86. Mrs. Keenan is a person eminently qualified to take on this important responsibility. Mrs. Keenan is a Tlingit born and raised in Teslin, and has been

actively involved there as a community organizer, and at promoting the preservation of Tlingit language and culture.

Born in 1920 to George and Annie Geddes of Teslin, Mrs. Keenan spent much of her childhood helping her parents operate a mink ranch. She also ran her own dogteam and fished and trapped in the traditional ways of her family. She was the first woman to race a dogteam in the Winter Carnival, which preceded the Sourdough Rendezvous, in Whitehorse in 1944. During the 1940's she worked for one of the construction companies involved in building the Alaska Highway.

Mrs. Keenan is fluent in the Tlingit language and has taught Tlingit in school in Teslin and worked with native children in schools in British Columbia while living in Surrey from 1974 to 1976. During this time, she also worked with the prison population in the lower BC mainland area.

She was married in 1947 to Hugh Keenan, and the couple have two children and five grandchildren. Mrs. Keenan's Tlingit name is Taakut Laa, after her grandmother, which means "Mother of Taku River".

⁰⁸ I feel that we are indeed fortunate to have Mrs. Keenan as our Expo Commissioner representing, as she does, the rural and traditional way of life of many Yukoners. Her special qualities as an individual will speak well of the Yukon and help the many visitors to Expo understand the pride and resourcefulness of all of our people.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Carcross-Skagway Road

Mr. Phelps: This government seems to have a lot of trouble with roads. Yesterday in the House I was raising the issue of safety on the Carcross-Skagway Road, a subject that is of deep concern to us on this side, if not on the other side. It appeared from an answer to some questions raised by Mrs. Firth that the Government of Canada is apparently going to put some \$20 million into improving the road on the Canadian side from Carcross on to the Alaska border south. My first question for the Minister of Transportation is: would he and his department not agree that right now, prior to that money being spent, the road is sub-standard, from a safety point of view, in terms of the width — particularly along some of the lakes, Windy Arm, Tagish Lake and Tutshi — and in terms of the curves in the road?

Hon. Mr. McDonald: The reason we engaged in discussions with the federal government on the upgrading of the Carcross to the American border portion of the Skagway Road in terms of capital upgrading was largely because we felt that the road required upgrading to bring it to a highway standard, which was an acceptable standard in the rest of Yukon. We felt that yes, indeed, the safety aspect of the road could be improved considerably with the upgrading of that road, and that is the reason why we entered into negotiations with the federal government on the capital upgrading of the road.

Mr. Phelps: That being the case, that you were aware and you have entered into these discussions with the federal government to improve the road — and that is not going to be done for some time — why do you not have a plan that could go into effect this summer and until the road is upgraded, from the point of view of safety — the width and the curves — that you could be discussing with the tourist industry and with the public who reside throughout the Yukon but, particularly, in the Carcross area?

Hon. Mr. McDonald: The plan that we have is that we will encourage the tourist industry, together with the trucking company that will be using the corridor for transportation of ore, to discuss such things as lower speed limits, road designation, to demystify much of the media reports which suggested so far that, perhaps, there is no possible way that the road could be used safely by ore trucks and tourist traffic. The idea is simply to bring the operators together. They know that they are going to be coming together. We have requested it and they have acceded to our request. They will come together, with the two governments, to discuss safety on the

road and, if necessary, because safety is our primary concern as a government, we will discuss, certainly, the road designation to ensure that if we have to we will designate the road for tourist traffic only at certain hours of the day.

Mr. Phelps: The tourist season is almost upon us, and we have an unsafe road. There is no question about it. We have these large trucks going by one after the other. How many minutes are there between trucks going one way to Skagway and one way from it at a given point between Carcross and Skagway? What is the estimated volume of the Trimac trucks this summer on the basis of the 24-hour road.

Mr. McDonald: My understanding of Trimac's work plan is that we are talking about one truck every twenty minutes or so travelling the highway. Again, I reiterate that the road safety is our primary concern. We do not expect ore transportation to take place until June, which is months off. We will ensure that the rules of the road are established prior to that time in order to ensure the safety of the travelling public.

Question re: Carcross-Skagway Road

Mr. Phelps: The problem with all this is that last October we voted a bunch of funds so that this mine could go back into production. At that time we raised our concerns about the most important issue of safety, and it is a very important issue. Now we are in a position where this government seems to be saying we are going to do this some day, we are going to do that some day. Well, when?

Carrying on with the same line of questioning and going to the American side, is the same sub-standard roadway in place in regard to width and curvature, with regard to standards acceptable to this government, acceptable to the Government of Canada, whether or not a study has been made and whether or not the Yukon government is going to have to pay for half of the upgrading?

Hon. Mr. McDonald: In response to the question as to when we will provide the safe standards to the travelling public, the answer is clearly that we will provide safe standards for the travelling public prior to the transportation of the ore. That is our commitment. We believe in the safety of the travelling public.

With respect to any capital upgrading to improve the safety standards on the American side, my understanding is that we are not discussing the width of the road on the American side but we may, if the engineering is possible, cost-share a runoff ramp for trucking down the hill on the American side. That is my understanding to date.

Mr. Phelps: With regard to that issue that this government is apparently on the hook to upgrade the capital costs on the other side because of trucking, has a study been made by the Minister's department as to the pavement on the Alaskan side, the specifications, how long that pavement is expected to hold up under the anticipated traffic from Trimac, because we have read in the paper that it is thin pavement?

Hon. Mr. McDonald: Our engineering officials have viewed the Alaskan portion of the road. They have expressed their decision with respect to what we can anticipate would be our share of the capital costs on the American side and those will be reflected in budgetary discussions.

With respect to the capping, which I think is the implication the Leader of the Official Opposition is referring to. The cost which we or the Alaskans may incur with respect to capital upgrading will have to be determined on an objective basis to be associated with trucking safety. That is in the Agreement. The Member is free to read it.

Mr. Phelps: We have established that the Minister has given, on behalf of the taxpayers of Yukon, a blank cheque to the Alaskan government to fix up the road. Has the Minister's department done any studies with regard to the costs of avalanche control in the winter time?

Hon. Mr. McDonald: It is not a blank cheque. I just finished saying that it is in the Agreement that to cost-share capital on the American side would have to be objectively determined as being a result of a safety requirement and that it would have to proceed through the arbitration process. We would have to agree that that

was in fact a safety requirement.

With respect to avalanche control, we have reviewed the issue of avalanche control. We have undertaken joint studies on avalanche control in the area and that is addressed in the technical addendum to the Agreement, as well. I will repeat that the Member is free to read the Agreement.

Question re: Yukon Indian Development Corporation

Mr. Coles: I have a question to the Government Leader. Four federal Cabinet Ministers, as well as the Native Advisory Board, have given the Yukon Indian Development Corporation application approval prior to it landing with the Minister. Even the Prime Minister of our country says he is committed to furthering the livelihood of the Indian people and now, from out of nowhere, the whole application has been cancelled. Does the hon. Government Leader have any knowledge of any political interference and, if so, will he share that knowledge with this House?

Hon. Mr. Penikett: No, I have no knowledge of any political interference. In a private conversation with Mr. Bissonnette, I expressed to him the view that it had not been his decision and he assured me, prior to them being announced, that whatever decision came down that it would be his.

Mr. Coles: In a letter from our Member of Parliament, Erik Neilsen to Mr. David Crombie, February 8, I quote, "Thank you for sending me a copy of your letter dated January 24 to the hon. Andre Bissonnette regarding the Yukon Indian Development Corporation. Both Andre and you are aware of my views with respect to this application for funding and this matter should receive no further consideration at this time." Does the hon. Government Leader regard this as political interference?

Hon. Mr. Penikett: I am not sure whether I regard it as political interference or not. As the Member may guess, from time to time when Ministers are making decisions about matters affecting a Member of Parliament's riding, especially if that Member of Parliament happens to be a federal Cabinet Minister, and especially if that Member of Parliament happens to be the Deputy Prime Minister, that they are likely to consult with that Member. It would not surprise me at all that our Member had been consulted by a junior Cabinet Minister on such a matter.

Mr. Coles: The point is that the Member of Parliament is our Member of Parliament. He is the Deputy Prime Minister of this country. He is a Member of the Cabinet. This is obviously political interference. I want to know how our Government Leader can sit back while a viable economic development project such as this, affecting every Indian person in this territory, has been squashed by the federal government?

Hon. Mr. Penikett: I am not sitting back. I dare say I have taken much more initiative than the Member opposite in terms of phoning individual Ministers or communicating with individual Ministers. In fact, I am prepared to compare the number of people in the federal Cabinet I have talked to about this with the number he has talked to about it. I am sure that I would prove, and be able to demonstrate quite forcibly, that I have been a much more energetic advocate than he has. So far, the Member opposite has spoken mainly to the media. I have found that ought not always to be an effective way of communicating with the federal government.

Question re: Bulk Commodity Transportation Agreement

Mr. Lang: Yesterday I referred to the question of the Bulk Commodity Transportation Agreement which, to refresh the Government Leader's memory, was to replace the \$500,000 commitment made by Pierre Lessande on behalf of then Cyprus Anvil to the maintenance costs on the American side of the Carcross-Skagway road. That was to defray the cost and would not be borne by the taxpayers of the territory.

We were informed last session by the Government Leader that this \$500,000, or \$450,000, would be raised through what was termed then a Bulk Commodity Transportation Agreement at \$1.00 per ton. Could the Government Leader please table that agreement because it is an essential agreement as far as the financial commitments by the parties are concerned.

Hon. Mr. Penikett: The agreement is contained in the master

agreement between the federal government, Curragh and the Yukon government, which is still governed by the rules of commercial confidentiality at the request of both the federal government and Curragh. However, I can tell the Member exactly what that agreement deals with in respect to the Bulk Commodity Transportation issue.

The understanding is that Yukon will permit the gross vehicle weight of 160,000 pounds and a vehicle length of 85 feet for the haul upon satisfaction of all safety concerns. The second part of it requires that Curragh pay \$1.00 per wet metric ton of concentrate shipped with the heavier trucks. Regulations are currently being prepared under the authority of Section 31(2) of the *Highways Act* to provide special overweight and oversize permits for the haul, and the details about the Bulk Commodity Transportation policy which, of course, will not be very many because it is quite simple, will be implemented as required.

Mr. Lang: We seem to have problems with agreements in this House. Has that been signed by Curragh Resources and the Government of Canada and the Government of Yukon?

Hon. Mr. Penikett: As I have just explained to the Member, if he would listen, it is part of the master agreement that was signed last fall between this government, Curragh and the federal government.

Mr. Lang: Then I take it that the decision has been made, unversibly, that we are going to 160,000 pounds, an increase of 13 tons per load, and Curragh Resources will not be responsible for any reconstruction costs and other portions of the highway if the highways do not stand up. That will be borne by the taxpayers, is that correct?

Hon. Mr. Penikett: Our agreement, as I just told the Member again, was upon satisfaction of all safety concerns. The idea was that the first unit that comes off the assembly line of the new design will be given to us to test. We have not got that yet. We will be testing it when we do.

12

Question re: Carcross-Skagway Road

Mr. Brewster: My question is to the Government Leader. Yesterday, in response to my question about signing the Skagway Road Agreement, the Government Leader stated, "The member has obviously got better contacts in Alaska than I have and as far as I know the time and place has not been fixed." Can the Government Leader explain why his officials issued a news release as of March 12, 1986, which states, "formal signing of the agreement by the Governor and the Yukon Government Leader Tony Penikett likely will take place in Skagway."

Hon. Mr. Penikett: The member has just answered his own question. It says, "likely will be." As far as I know, and I checked this morning, no firm date or place had been set. As with all these things, they are subject to negotiation. I am so willing and so ready and so eager to get the Governor's signature finally on this document that, if it is necessary, I will fly to Nome to get the agreement signed.

Mr. Brewster: In response to the same question, the Government Leader has accused me of being hostile toward the town of Skagway. Does the Government Leader not agree that I, as an MLA, have a responsibility to protect the interest of Yukoners and can he give me a concrete example of where I have demonstrated any hostility toward the people of Skagway.

Hon. Mr. Penikett: I regarded it, personally — perhaps I was wrong — as an act of unbridled rudeness in the presence of members of the Alaska State Legislature yesterday to suggest that there was somehow something quite inappropriate or unholy or immoral about the head of this government going to meet the head of another government to sign an agreement in a town that is profoundly affected by that agreement. I would be quite happy to meet with the Governor here to sign it. I would be quite happy to meet with the Governor in Carcross to sign it. I would be quite happy to meet with the Governor in Faro to sign it. The essence and the tone of the Member's question seemed to suggest that there was somehow something highly improper about the head of this government travelling to that community, which I believe we should be trying to foster good relationships with.

Mr. Brewster: I will have to watch my tone. Apparently with visitors in the gallery, we do not make statements. Who is paying more to keep the Skagway Road open, the people of the Yukon or the people of Alaska?

Hon. Mr. Penikett: The people who are paying more are the people of Yukon. The people who I believe will benefit more are the people of Yukon.

Question re: Municipal street upgrading

Mr. Nordling: I have a constituency question. My question is to the Minister of Community and Transportation Services regarding the upgrading of municipal streets. I understand that the government is discussing, or negotiating, financing for the upgrading of municipal streets with the City of Whitehorse. What is the present status of these negotiations?

Hon. Mr. MacDonald: I would like to congratulate the Member for Porter Creek West on his first question in the House. It is my duty, however, to inform the Member that during the capital estimates in November the line item in the budget for old municipal projects for Whitehorse was given as one specific line item that we had in effect block funded the City of Whitehorse for municipal projects of that sort. Projects that would not be included in that line object, of course, for the Member's information, would be such roads and highways in Whitehorse that were territorially-owned. With respect to municipal projects, we left it up to the City government to decide which projects should go forward at what time.

Mr. Nordling: With respect to the upgrading of municipal streets, are there no negotiations for new funding with the City of Whitehorse? Is that correct?

Hon. Mr. McDonald: I have on a number of occasions expressed and relayed the concerns of various members of the Legislature who happen to reside in Porter Creek East and West to the City of Whitehorse indicating the interests of their constituents to have the roads of Porter Creek East and West chipsealed. At the same time, it is a stated objective of this government to allow local responsible governments to make decisions of that nature themselves, and Whitehorse has, in effect, been block funded for municipal projects.

Mr. Nordling: The block funding for the municipality; is the member referring to the \$2.5 million that was allocated last spring?

Hon. Mr. McDonald: I am referring to the \$2.5 million that was allocated last November for this coming year's capital budget.

Question re: Northern Canada Power Commission

Mr. McLachlan: Of the four utilities companies contacted, Yukon Electric, plus BC Hydro, Manitoba Hydro and Ontario Hydro, how many of these people replied? Is the Minister prepared to release their proposals to this Legislative Assembly and the reasons for rejection, if any?

Hon. Mr. Kimmerly: All of them replied, but I believe it was two who gave very detailed, substantial submissions on all of the necessary points. I will take under advisement the question of releasing those replies to the public, and I will either release them or state a clear reason why I will not.

Mr. McLachlan: Is part of the master agreement between the governments of Yukon and Canada a condition that Ottawa must agree, for example, to this memorandum of agreement, which has been signed between YESCL and Government of Yukon, since it is their assets we are playing with?

Hon. Mr. Kimmerly: That is not a requirement. The interest of the federal government is only to be comforted that we are able to manage the assets responsibly and they are not interested in a veto or a vetting process, or telling us how to do it.

Mr. McLachlan: The Government of Canada may be comforted, but they may be the only party to this agreement that is. The taxpayers of the Yukon, I am certain, will not be.

An oft-stated principle of the Government Leader has been to try and plug items like tax leakage. With at least one department, the stated objectives and proposals of that department are to decrease a leakage of wages and profits from the territory. Does the Minister of Government Services not agree that the signing of an agreement

with an Alberta-based company is simply lending itself to more of the profits leaking from this territory in regards to the transfer of power assets?

Hon. Mr. Kimmerly: The intent of the negotiation is to move NCPC here. The assets are now owned by the federal government and will be owned by a Crown corporation of the territorial government. That is a very, very significant movement of assets and the capability of earning profit to this territory. The effect of the transfer is exactly the opposite to what the Member is suggesting.

Question re: Group Home house purchase

Mr. Phillips: Has the Government of Yukon purchased a house located at 501 Taylor Street for a group home?

Hon. Mr. Kimmerly: Yes.

Mr. Phillips: How much did the government pay for that house, and when did they close the deal?

Hon. Mr. Kimmerly: The exact figure is not known to me at the moment. I will get it. I believe it was \$180-odd thousand.

Mr. Phillips: I also understand that there are some renovations that will be taking place in the house. Have the renovations begun, and what is the estimated cost?

Hon. Mr. Kimmerly: They are about to commence, and the cost will be covered in the estimates and can be released after the budget address.

Question re: Job Evaluation Study

Mrs. Firth: I have a question for the Government Leader regarding the job evaluation study. His government implemented early in 1986 a universal job rating system called the JES system, which is the equivalent of equal pay for work of equal value, where seniority no longer applies, and the clerical jobs in particular received pay increases as high as \$2,000 to \$3,000 a year.

Did he consult the Chamber of Commerce regarding the impact of this on business, and if not, why not?

Hon. Mr. Penikett: The job evaluation study was commissioned by the previous administration. We were the recipients of the results. The decision to implement, in this government, the policy of equal pay for work of equal value was a decision taken by this Cabinet, consistent with the trends in Canadian law, a policy adopted by the federal government for its employees and one we wholeheartedly concur in.

On the question of seniority for employees: employees were not paid on the basis of seniority in the old classification system, nor are they under the new.

Mrs. Firth: The Government Leader did not answer my question, so I am going to assume that that is a no. He did not consult with the Chamber of Commerce and the JES was not implemented by the previous government. The study may have been, but the JES was not implemented until 1986. It was a philosophical decision of the NDP government to do so.

Is the Government Leader aware of the difficulties small businesses are having in competing with government salary scales?

Hon. Mr. Penikett: I am sorry that I did not answer the first question. Perhaps I was so flabbergasted by it. This government has never in its negotiations towards a collective agreement with its own employees ever consulted any third party except conciliators and arbitrators that I know of. In fact, I would suspect that that would be an extraordinary and unprecedented practice to go and introduce a third party in the Chamber of Commerce into those negotiations.

Have I met with the Chamber of Commerce to discuss the impact on the local wage economy of labour rates paid by this government? As a matter of fact I have. Is this government aware of the prevailing wage rates when it begins negotiations? Yes it is. The briefing that this government obtains and prepares at the outset of negotiations involves, among other things, research into the most recent collective agreements signed by major employers such as Northwestel and other major employers in the territory. We do that as a way of preparing or informing ourselves in advance of the negotiations. The question about whether the decision of this government was philosophical or not; yesterday I heard criticisms

that we were doing too many studies. I assume that the previous government would not want to have wasted the huge cost of completing a study, such as JES, and then not implemented it. That would have been quite ludicrous.

Mrs. Firth: The Government Leader's answers are not good enough. As far as negotiating with the unions, this is a government that has based its merit on the act of consulting and when they establish a new direction for the Yukon Territory, a new philosophical direction for the civil servants, that is going to impact on the public, a direction that they wanted the public to follow with their Human Rights Act, I feel the government has a responsibility to consult with the business community. I want to know what the Government Leader is going to do about these competitive wage scales now and what his plan is to decrease that wage scale competitiveness?

Hon. Mr. Penikett: The previous government did not consult with anybody outside of the government before they went to do the study on JES. We did. We were consistent with the way we consulted. We consulted with the people who would be affected by it; in other words, the employees. We could have implemented it by an Order-in-Council; we did not. We put it on the bargaining table and negotiated it with our own employees. In answer to the Member's final question — are we going to unilaterally lower the wages of Yukon government employees to satisfy the representation of the Member opposite — I would think that there is about as much chance of that as ... perhaps I ought not say. It is a very small chance and almost none at all.

16

Question re: Transfer of Northern Canada Power Commission

Mr. McLachlan: An oft-stated precept of the Government Leader has been to move control of operations here in the territory so that Yukoners may have an eventual control of their destiny. Why does the Minister think that moving the Northern Canada Power Commission from Edmonton to Whitehorse, and then transferring effective control and ownership right back to Edmonton through YESCL, possibly fulfills that stated objective? All he is doing is moving control from one side of the river to the other. What is the point of that?

Hon. Mr. Kimmerly: Were we to say or to claim that we have the necessary expertise here and technical knowledge here to run the power company tomorrow, probably Members on the other side would be criticizing us more severely than the Member appears to be here. What we are doing is maintaining the control over those assets and the ability to control the management decisions, but contracting with the private sector for expert management. The capability of such management does not now exist within the territorial government.

Mr. McLachlan: That is a direct slap at the present employees and officials of the Northern Canada Power Commission who are based in the territory and who are now running the job. The Minister has just said, and made a great puffery out of the meeting that he has held with those employees, that he is quite willing to take them on. Now he said that they cannot possibly run the Commission. Please reply as to what on earth he is meaning by that? Where is the confidence?

Hon. Mr. Penikett: I know that the Member opposite has been briefed by Mr. Joe McEachern of NCPC, and perhaps Mr. McEachern has some particular problem with our proposals and perhaps there may be some other people in the NCPC management who do not want to change the way things are run. I have to tell you, and I have to tell the Member opposite, that it is not our job to communicate our proposals to the management of the Northern Canada Power Commission, that is, until such time as we acquire those assets and responsibility of the federal government.

We are to resolve concerns and apprehensions about their future, having discussions with the bargaining unit of the Yukon-based employees, so that they have no apprehension that there are going to be widespread layoffs or dislocation in their lives. The respective private sector management has willingly talked to us about arrangements that will make sure that the standard of living and job security of those employees is not adversely impacted.

Mr. McLachlan: Very often governments wind up with the highways, the health care, the high-cost items of government that have very little revenue associated back with it. Then we get a chance to assume one that does have some revenue-making possibilities. I think the government side of the House would have to agree with me that the operation and the distribution and the O&M costs on the distribution of power are not anywhere near the cost item that they are for the generation and the main power transmission lines. Why, when we get a chance to get that part of the operation, does the government give it away?

Hon. Mr. Kimmerly: The Member opposite made a grossly inaccurate statement. He said, why are we giving it away? We are doing no such thing. The profitability of the company, as it will be owned by the Yukon Development Corporation, will benefit the Corporation and, therefore, all taxpayers in Yukon. We are not giving away the profits at all. We have done a very simple thing. We have negotiated an agreement, a contract for management services, not a share of the profits for management services.

Speaker: This will be the last question for the day.

Question re: Correspondence

Mrs. Firth: My question is to the Government Leader regarding correspondence. As an Opposition MLA we have waited as long as two months to receive replies from him and his Ministers to our letters of inquiry. Often the requests are simple, and occasionally we receive no reply at all. Can the Government Leader tell us what his policy is regarding the turnaround time for correspondence from Opposition Members?

Hon. Mr. Penikett: If we have been guilty of having a two-month delay in the turnaround on correspondence that is totally unacceptable. The Member will give me a list of letters which she has unanswered and I will see that the replies are expedited immediately.

Mrs. Firth: This has also been expressed to us as a concern by the general public of the Yukon. It was our intention to find out if the Government Leader had a policy when it came to answering correspondence. Perhaps it was different for the policy that applied to Opposition Members as opposed to members of the public. Perhaps he could qualify whether there is a policy at all.

Hon. Mr. Penikett: I can only speak on behalf of my own office at this moment. I know that from time-to-time there does get to be a large volume of correspondence arriving, but it does not seem to have a steady pattern. When it does pile up, my practice is to want to send acknowledgements immediately and then, in many cases where there are complicated inquiries, send them to the department for development of background material for a substantial response. That does take time because there are times when the government is busy, especially in the budget run-up. But, clearly, if the delays are of the order that the Member indicates, that is unacceptable and I will certainly try to do something about it.

Speaker: Order. This now brings us to Orders of the Day. I announced that that was the last question. Time for Question Period has now elapsed. We will now proceed with Orders of the Day, Government Bills.

ORDERS OF THE DAY

GOVERNMENT BILLS (Budget Speech)

Bill No. 5: Second Reading

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

Hon. Mr. Penikett: I am pleased to introduce today the Operation and Maintenance Budget for the fiscal year 1986-87.

In past few months the initiatives taken by this government have had significant impact in restoring the economic vitality of the Yukon. The most notable of these are the measures undertaken to secure the reopening of the Faro Mine by Curragh Resources. This project will provide up to 1,000 jobs which the Yukon sorely needs after experiencing the serious economic downturn of 1982-83 which has continued to plague our economy. The initiatives announced

last October in the 1985-86 Operation and Maintenance Budget and 1986-87 Capital Budget were indicative of this government's commitment to bring about economic renewal and growth.

This budget also reaffirms our commitment to ensuring community development through manageable economic growth and the enhancement of social needs and aspirations of Yukoners.

Upon taking office, we immediately began to implement an agenda designed to promote economic renewal and improve the quality of life for all Yukoners. In our first months of office, we have provided the necessary initiatives to permit the re-opening of the Faro mine by Curragh Resources; instituted policies of local hire and the purchase of local materials designed to promote employment and business opportunities for all Yukoners; through the initiation of a Yukon Economic Development Strategy, provided a direction for the future growth of the Yukon economy; and provided, through various business assistance programs, such as the Business Development office, the necessary support for individuals and businesses to undertake new or expanded business opportunities.

These initiatives have gone a long way in providing a necessary stimulus to the economy. They have been taken in consultation with the private sector and we look forward to continuing this cooperative working relationship in the future.

Over the past year, economic conditions for both Canada and the Yukon have improved dramatically. The national, seasonally adjusted unemployment rate for February was 9.6 percent. This is the lowest unemployment level in four years. It is forecast that it will moderate over the medium term to 9.0 percent.

The inflation rate continues to remain relatively stable at 4.4 percent and forecasts suggest that it will remain in the four percent range for the foreseeable future.

While interest rates over the past few months have declined, the current volatility of the foreign exchange markets has driven rates up again. However, over the short term, it is anticipated that the markets will become much more stable, permitting interest rates to decline once again. Further, rate reductions will provide a stimulus for needed business investment and consumer spending.

In addition to the economic indicators mentioned above, most other indicators suggest that Canada will experience moderate growth during the year of 3.7 percent in real terms.

The performance of the Yukon's economy has been equally dramatic. Last spring our unemployment rate was 22.0 percent. With the recent upsurge of business activity, the unemployment level is expected to improve significantly over the crippling levels we have recently experienced. This will be a major challenge for our government, but it is one that we are determined to meet.

The inflation for Whitehorse over the past year has closely tracked the national average. For January, the inflation rate for Whitehorse was 4.4 percent, the same as the national rate.

Other economic indicators, such as the value of retail trade, the number of new businesses and the value of building permits issued, have, for 1985, exhibited significant improvement over the two previous years. I am confident that the measures introduced by this government have contributed in a major way to these improvements in the economy.

¹⁹ I am confident that the measures introduced by this government have contributed in a major way to these improvements in the economy.

This government is committed to promoting economic growth. To our government this means enhancing the opportunity for all Yukoners to be actively involved in, and to benefit from, economic activity. In more concrete terms, it means the following: the promotion of local hire, materials and purchase policies that will provide employment and business opportunities for all Yukoners and less dependence on outside human and material resources; the development of programs designed to encourage business opportunities in the communities, thereby increasing employment in those communities; the creation of employment development programs that will provide for skills training and development, resulting in a reduced dependency on outside sources for trained workers; and, diversification of the economy to provide a more stable economic base so that the Yukon can provide wider job opportunities and

effectively deal with changing economic conditions.

At the same time, the government remains committed to consulting with all sectors of society on the future direction of the economy. The hearings of the Select Committee on Renewable Resources and the discussion that will take place on the Yukon Economic Development Strategy are reflective of that commitment.

One significant new initiative that should bring significant relief to small business throughout the Yukon is the decision of this government, starting on April 1st, to pay interest on invoices that have not been paid in 30 days or less for the satisfactory receipt of the goods or services. As hon. Members are aware, late payment of its bills has been a long-standing problem for people doing business with the government, and it is our intention to correct this injustice.

Simultaneously, we propose charging interest on our accounts with the private sector where these exceed \$100 and are overdue. The \$100 cutoff is designed to exclude a multiplicity of small charges where the cost of administration does not justify the collection of interest. The net cost of these changes is expected to be fairly significant in the first year, amounting perhaps to as much as \$60,000, clearly an indication of the extent of the burden currently borne by the business community. After the first year, and with continuing improvements in the financial administration of the government, it is expected that these costs will decline.

As I noted earlier, the economy of the Yukon is improving but more can, and should, be done to facilitate the recovery. The Operation and Maintenance Estimates which I am introducing today propose expenditures of \$171,065,000. This represents an increase over the Main Estimates for 1985-86 of 6.8 percent. This rate of growth is consistent with the average growth in provincial-local expenditures. In spite of the extraordinary expenditures for JES and Expo '86, and a wide range of new initiatives, this is the lowest increase in budgeted Operation and Maintenance expenditures in the Yukon for at least ten years.

Operating revenues for the 1986-87 fiscal year are projected to be \$170,449,000. The combination of the proposed expenditures and projected revenues for the year results in a budgetary deficit for the current year of \$616,000. This will be financed from accumulated reserves.

²⁰ As it has been the practice in the past, we will be tabling supplementary estimates for the current fiscal year at this sitting of the Legislature. These estimates will show that we are estimating a current account surplus of \$63,000 for 1985-86. This surplus is a net of an extraordinary non-cash item of \$10 million for the accrual of accumulated employee leave benefits that we will be recording on our books of account at fiscal year-end. Were it not for this extraordinary item, our projected current year surplus would exceed \$10 million.

When I tabled the O&M budget last October, I advised the House that the government would be undertaking a comprehensive examination of our revenue sources and tax structure. That review has now been completed. Today, I wish to announce the following revenue changes:

—Effective April 1, 1986, charges for ambulance services will be eliminated. This will cost about \$14,000 per annum.

—Effective April 1, 1986, the tax on tobacco will be increased. Tax on cigarettes will rise to 3.2 cents per cigarette and the tax on cigars will move from the existing variable rate to a flat rate of 20 cents per cigar. The projected annual revenue from these tax measures is effectively \$1,357,000.

—Effective April 1, 1986, the tax on alcohol products will increase from the current rate of 10 percent to 12 percent. The projected yearly revenue from this measure is approximately \$275,000.

—It is the government's intention to introduce legislation to eliminate medicare premiums by April 1, 1987.

During this sitting of the Legislature, amendments to the *Fuel Tax Act* will be introduced which will clarify some of the administrative provisions of the Act. There are no revenue implications associated with the proposed changes.

This budget represents the first opportunity for this government to undertake changes that are the result of a comprehensive review of government programs. The outcome of this review has been that our

programs and resources have been designed or redirected to address more effectively the Yukon's economic and social requirements in a manner consistent with the government's policies. As you know, these policies focus on the job creation and the community impact of government expenditures and our intent to improve opportunities for the disadvantaged.

I would now like to take this opportunity to review some of the more important new initiatives that we will be undertaking in the new fiscal year.

The future direction of the Yukon economy will have a dramatic impact on the wellbeing of all Yukoners. Failure to plan for this future will continue to leave the Yukon vulnerable to external market forces. Through a process of effective strategic planning, the economy can be much more responsive to external stimuli and, more importantly, to the needs and opportunities in the communities. To facilitate that planning process, \$250,000 has been committed to the formulation of a Yukon Economic Development Strategy. In addition to this initiative, the government has provided new monies to several other programs with the aim of fostering further economic development. To assist Yukon businesses to promote and identify potential new markets for their products, the Department of Economic Development: Mines and Small Business has been allocated an additional \$75,000. As part of our continuing efforts to foster the growth and development of small business, we are currently negotiating with the federal government for the transfer of the inactive Small Business Loan Fund to the Yukon. When reactivated, the funds available will serve as a source of capital for new businesses, particularly in rural areas.

²¹ During the early 1980's, when most mines in the Yukon ceased operations, the tourist industry helped to pull us through the recession. Today the industry continues to play a lead role in the Yukon's economy. In recognition of its importance to the economy, the government plans to continue funding its various industry support programs. To underline the importance we plan on tourism, an additional \$100,000 has been allocated for tourism advertising and, to assist the communities in promoting their locales as tourist destinations, \$50,000 has been allocated for the "Partners in Tourism" Program.

Agriculture is a sector that we have identified as having significant economic potential over the long-term. To further agricultural development, the Department of Renewable Resources has been allocated an additional \$104,000 for the expansion of its agricultural activities and the establishment of a separate agriculture branch. It is our intention that this will be the beginning of a process that will see the development of a viable agricultural industry in the Yukon.

The government's commitment to the effective management and development of our renewable resources is reflected in the formation of the Select Committee on Renewable Resources. The public hearings conducted by this committee have proved to be an excellent forum in which all Yukoners voiced their views and concerns about the future development of the renewable resources that are so important to our economic and recreational future.

Any program of initiatives that seeks to promote employment and business opportunities without focusing on employment development measures would clearly be misdirected. If individuals are to take advantage of new employment opportunities, they must be provided with the necessary training and skills. This concern about employment training needs has led the Department of Education to draft a White Paper on training. It is anticipated that the paper will be released in the late spring and will provide a focus for discussions on training programs that reflect our overall economic strategy.

The Canada-Yukon Small Business Training Program, which was started in 1985, will continue through 1986. This program permits those currently employed to upgrade their skills, thereby ensuring future employment. It is anticipated that between 60 and 80 individuals will benefit from the program in 1986-87. The total funding for the current year is anticipated to be \$300,000.

The Canada-Yukon Job Development Program will also continue through 1986. This program is designed to provide long-term employment opportunities through a combination of work experi-

ence and job training. It is anticipated that 150 jobs will be created and total funding is expected to be \$600,000 in 1986-87.

One of our principal priorities has been to increase the level of support provided to the communities. One aspect of that support is the level of financial and technical assistance made available to municipalities. For 1986-87, the amount of unconditional grants paid by the Department of Community and Transportation Services to municipalities will grow by 7.9 percent to \$2,564,000. A further \$789,000 will be provided in the form of conditional grants. In addition, approximately \$1.1 million will be paid to municipalities for grants-in-lieu of property taxes on territorial properties.

²² Indicative of this government's cooperative approach to territorial-municipal relations, a grant of \$50,000 will be provided to the Association of Yukon Communities. Our provision of this grant will assist the Association as an effective voice for Yukon's municipalities. This, in turn, will assist the government in developing programs that are truly responsive to the needs of the communities.

In addition, to direct financial support to the communities, the Department of Education is planning to institute a program of municipal and band management. This program will provide a unique opportunity to develop and enhance the skills of those involved in municipal and band administration.

Access to adequate banking services is a prerequisite for business and community development. However, many of our rural communities lack such access, resulting in unnecessary inconvenience. Traditionally, the government has banked with the Canadian Imperial Bank of Commerce, which has provided excellent service over the years. Recently, however, the government completed a review of its banking services. It is the first time that such a review has taken place and was long overdue. The outcome was a decision to call for proposals for the provision of banking services to the government. One of the factors to be considered in evaluating the proposals will be the expansion of banking services to the rural areas. It is our hope that a new banking contract will result in the provision of expanded banking facilities in the outlying communities.

Improved health care for all Yukoners is a major commitment of this government. In an effort to improve the health of Yukoners, the Department of Health and Human Resources will be introducing a new Home Care Program. This program will provide for the integrated delivery of such services as home nursing, medical and social work, and occupational therapy for those in need of assistance in their daily living.

The advantages of a home care program are twofold. First, it has the potential of reducing expensive institutional costs and, more importantly, it will allow people to continue living in their own communities and in their own homes. In addition, an enhancement of the chronic disease program is planned. This enhancement will provide financial assistance for the purchase of drugs necessary for the treatment of certain chronic diseases. For the 1986-87 fiscal year, \$261,000 has been allocated for these two programs.

The recent report of the Task Force on Family Violence brought to the attention of all Yukoners the seriousness of the domestic violence within the community. The task force report provided a blueprint for addressing this disturbing problem. The government has gone on record in committing itself to implementing the task force's recommendations and one of the initiatives to be introduced immediately is the Safe House Program. This program will provide victims of domestic violence with temporary living accommodation and support. A total of \$28,000 has been allocated for this program in the current Estimates. In addition, the Department of Health and Human Resources will be re-allocating funds within its budget to provide additional resources to the Women's Transition Home for child care and counselling services.

²³ The promotion and advancement of women in all aspects of the Yukon society is one of our major policy objectives. Indicative of the importance we place on women's issues is the additional \$147,000 that has been allocated to the Women's Directorate. A portion of these funds will be used for the establishment of a Yukon Advisory Council on the Status of Women. The work of the Directorate and the advice provided by the Advisory Council will

ensure that issues affecting women will be fully addressed in the formulation of government policy.

We think it is imperative that the composition of the public service of the Yukon be more representative of the public it serves. We feel strongly on this issue not only because it is a fair thing to do, but also because it helps to ensure that the delivery of government programs is responsive to the needs of the community.

To this end, we have allocated \$232,000 to the Public Service Commission to initiate programs that will facilitate the entry into the public service of those groups that are currently under-represented in that service.

Of particular concern are aboriginal Yukoners. Native people make approximately 25 percent of the Yukon's population but only five percent of the permanent public service. The government, therefore, will initiate a Native Training Corps which will assist the entry of native people into the public service. Six development positions have been allocated to this program.

In addition, resources will be allocated to assist the promotion of women and the entry of the handicapped into the public service.

The Public Service Commission has also been allocated an additional \$68,000 for staff development. This will provide a unique opportunity to develop existing human resources within the public service and provide more opportunities for career advancement, thereby reducing staff turnover and the need to bring in personnel from outside the Yukon.

The above-mentioned initiatives are indicative of the government's commitment to ensuring economic growth, community development, and improving the quality of life for all Yukoners. These goals, I am sure, are ones that all members of this House wish to support and, to that end, I commend it to the favourable attention of all Honourable Members.

Applause

Mr. Phelps: I move that we now adjourn debate.

Speaker: It has been moved by the Leader of the Official Opposition that debate be now adjourned.

Motion agreed to

Mr. Nordling: I move that the House do now adjourn.

Motion agreed to

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

The House adjourned at 3:01 p.m.

The following Sessional Papers were tabled March 18, 1986:

86-3-10

Yukon Lottery Commission Annual Report 1984/85 (McDonald)

86-3-11

Documents regarding the Carcross-Skagway Road Agreement (McDonald)

